

JANUARY 2010



REGIONAL HR UPDATE: EUROPE

Talent Management... Talk Versus Action

| CHRISTIAN ADLUNG

Talent Management is a hot topic in Europe. Everybody is talking about Performance Management, Recruiting, Learning, Competencies and other areas under the umbrella of Talent Management. However, in reality, there are only just a few organizations using true Talent Management processes in their HCM or Talent Management system.

Why is this? There are multiple reasons. From my perspective, you can look to the simple relationship between three parameters: cost, complexity, and pressure. For many organizations these three parameters are not in balance. It could be that the cost of implementing a Talent Management solution could make the business case, but the complexity of the solution is too high and/or the external pressure is not great enough to ignite momentum. It could also be that the cost of a Talent Management System (either an HRMS or a niche provider) is too high to make the ongoing business case. I recently spoke with a German HR Manager who wanted to use the Talent Management capabilities of his existing ERP HCM system for the annual employee review process. However, he told me that to purchase the additional license and to implement the solution would “cost him a fortune” and the complexity/functionality of the solution would be way too rich for what they needed. Because the pressure from the business community was not great enough, they decided that “doing nothing” was the best alternative.

If you look at the European market and see where Talent Management solutions are used more extensively, you find those countries where compelling events, such as legislation and regulation, have taken place. Such events increase the external pressure to such an extent that the corporation has to do something about it. This is true for countries, such as France, where requirements for training in combination with the 35-hour work week law require organizations to implement a Learning Management system to help them comply with the requirement. Also in

Germany there is a new tariff (ERA) in the metal industry that now requires companies to perform an annual salary and employee review. I am sure we will soon see momentum in that market for Talent Management solutions to support this effort.

However, it is not only external compelling events that drive the Talent Management market. Complexity and cost play equally important roles. I am sure that those suppliers who provide a cost-efficient and “simple enough” solution will win in the end. From what I have seen, software-as-a-service (SaaS) solutions, such as SuccessFactors, TalentSoft and Workday, have the best chance to succeed: the cost of SaaS solutions are more reasonable, the complexity seems to be right, and there are certainly more compelling events to come in Europe as elsewhere! 🌍

About the Author: Christian Adlung is a Senior Global Advisor and Vice President of Europe Middle East and Africa with Jeitosa Group International. He has over 15 years of experience in deploying and managing large-scale HRMS implementations for a variety of both global and domestic organizations. He can be reached at christian.adlung@jeitosa.com.