Paycor®

How HR Can Compete to Win:

5 WAYS TALENT DEVELOPMENT

MAKES YOUR COMPANY UNBEATABLE

HR center of excellence

by Paycor

What's inside:

Executive Summary

Talent development's goal is to create a high-performance organization where everyone is motivated and supported to achieve a shared vision of success. The way an organization shares feedback and evaluates performance is the heart of talent development.

But traditional performance reviews aren't working for employees (1 in 5 admit they'd rather call in sick than have one) and nearly 90% of HR leaders are currently reevaluating their approach to performance reviews.

In 2021, many of your competitors will invest in talent development software. If you make the right decision, invest in the right software, and if your organization is willing to use it, you can realize 5 decisive competitive advantages.

As you're searching for the right software, evaluate partners by asking 3 questions:

1. Will the software make our talent process significantly more efficient?

2. Will it allow for continuous feedback that feels organic and seamless?

3. Does it help get everyone on the same page, so that we're all working toward agreed-upon, strategic outcomes?

Effective Talent Development:

1. Builds your capacity for long-term planning.

2. Defends against disruption.

3. Sets you up for success in the post-pandemic work world.

4. Helps build an unbeatable talent pipeline.

5. Drives engagement.

What is talent development?

Talent development is everything your company does to **attract, develop, reward, motivate and engage** employees.

Why does it matter?

"The company with the best talent wins"—that's true, to an extent. You can always fine tune recruiting, hire better people. But here's the thing: so can your competitors. The question is: can they keep them motivated? Can they expose them to the right opportunities? Can they provide feedback at the right time? Can they make sure everyone is executing their part of a shared strategy? **The goal of talent development is to create a high-performance organization where everyone is motivated and supported to achieve a shared vision of success.** The company that gets that right, wins.

Why is *talent development* so important right now?

Because the old way isn't working. **Sixty-five percent of employees want more feedback** (Forbes), and 69% say they'd work harder if their efforts were better recognized (Hubspot). One in 5 say they'd rather call in sick than have a performance review (Human Resources Online).

Employers feel the same. In 2020, 87% of HR leaders were reevaluating their approach to performance reviews (Gartner). Only 14% **of organizations are happy with their current performance management system** (Assoc. of Talent Development). **In 2021, many organizations—and many of your competitors—will try to fix these problems.** If they go about it in the usual way, they'll focus on defanging the process: making it easier, more automated, faster. That's an important first step. But if that's all your competitors do, be thankful. They'll be missing a bigger opportunity.

One in 5 employees say they'd rather call in sick than have a performance review.

(Human Resources Online)

Only 14%

of organizations are happy with their current performance management system.

(Assoc. of Talent Development)

How to get *talent development* right

Everyone—employers and employees alike—are stressed by a feeling of accelerated change, constant innovation (or disruption) and technological shifts that can create (or delete) careers in what seems like an instant. Employers need a nimble workforce that can learn new skills and respond to changes (like 2020 for example). Employees want continuous learning and development opportunities to stay relevant. **A modern approach to talent development directly attends to these underlying anxieties.** In other words, if you get talent development right, everyone in your organization will feel better … better about their careers, better about their contributions, better even about the everyday decisions they make, the things they prioritize and the things they don't.

So, how do you know if your approach to talent development is effective? You ask 3 questions.

1. **Is it efficient?**
2. **Does it inspire?**
3. **Does it unite?**

1
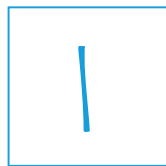
Is it efficient?

Nearly 70% of HR leaders say they need performance reviews to be less time-consuming (Gartner). This insight tells us that most HR leaders (and their frontline managers) are stuck in manual process. If you're manually collecting feedback, capturing data from selected timeframes in spreadsheets and then trying to extract insight from all the inputs, you have every reason to be frustrated. A modern approach to talent development is user-friendly, automated and frictionless. **Talent development software should give HR leaders and managers all the data and inputs they need, any time they need it. [Learn more](#).**

2

Does it inspire?

Among its many shortcomings, the annual performance review was awkward. Managers had to remember what happened or didn't happen months ago. And while most annual traditions are festive, the annual review was decidedly not. Excised from the day-to-day, the stodgy performance review was unique, in a bad way. It was unlike any normal conversation. Modern talent development is continuous feedback, as agile, organic and responsive as the work itself. **Talent development software should create a framework to have meaningful, timely conversations that result in real outcomes (like tying pay to objective measures of performance).**

3

Does it unite?

Old school performance reviews focused on the individual. Modern talent development aligns the individual's skills, training opportunities and career aspirations with the overall objectives of the organization. That may sound like a fancy way of saying "it gets everyone on the same page"—and it does—but even more, it's a way of getting everyone on the next page by predicting and planning for the future needs of the organization. **Talent development software should help leaders clarify their long-term strategies, unite talent around current needs and nurture talent to be ready for what's to come. See how Paycor can help.**

Don't invest in talent development software until you read this buyer's guide.
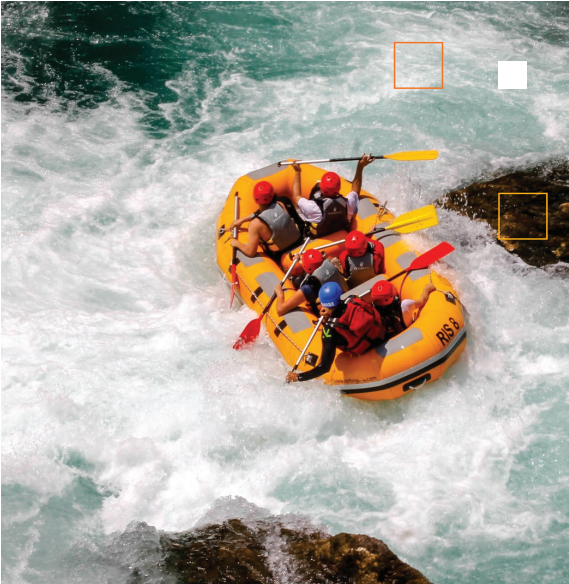
The 5 competitive advantages of talent development

Most companies don't take a sophisticated, long-term approach to talent development—for example, only 35% have a succession plan (PwC). In 2021, that may be changing. HR leaders are fed up with clunky, rigid technology. Employees are united in their desire to see a different approach. Organizations of all sizes, especially after the pandemic, are seeing the need to shock-proof their corporate strategy. If you invest in the right talent development software, and if your company is willing to use it, here are the 5 competitive advantages you can expect to achieve.

A modern approach to talent development:

1. **Builds your capacity for long-term planning.**

2. **Defends against disruption.**

3. **Sets you up for success in the post-pandemic work world.**

4. **Helps build an unbeatable talent pipeline.**

5. **Drives engagement.**

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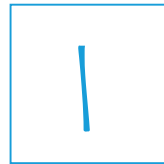
Talent development *builds your capacity* for long-term planning.

Most of your competitors probably don't have a long-term talent plan. But if your organization does, you'll be able to flex and adapt to nearly any talent shortage or outage that comes along. **Succession planning is not just about replacement.** It's about building a deep bench of talent that reduces the cost of outside recruiters, onboarding ramp time and employee turnover. It's also about seeing career paths in a more sophisticated way that aligns individual growth opportunities with the evolving needs of the organization.
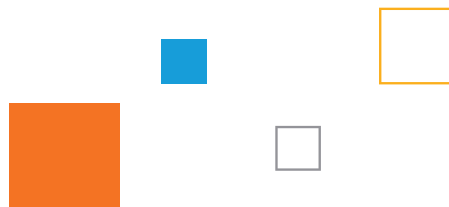
2

Talent development is *the best defense* against disruption.

When asked how he went bankrupt, Ernest Hemingway said, "gradually, then all at once." The same might be said for business leaders, especially those in seemingly comfortable niche sectors that feel insulated from accelerating market forces. Disruption creeps up on you, or pounces suddenly, as COVID-19 did in 2020. Either gradual or all at once, the external forces that will upend your business can often only be seen in the rearview mirror. **Your organization's approach to talent is the best defense against disruption.** An agile, continuous, data-driven approach to talent makes your organization nimble and gives leaders the ability to pivot, confident that they've invested in a deep bench of multivalent talent they can reconfigure as needed.

3

Talent development *sets you up for success* in the post-pandemic work world.

COVID-19 accelerated remote work so fast that it became a norm before we had time to figure out what it meant. What does a talent pool, untethered to geography, mean going forward? That's not to say all work will be virtual—it clearly won't. But even if your industry requires the majority of employees to work in-person, you'll still see your competition search for ways to leverage distributed teams for ancillary or support roles. The lure of cost-savings on office space alone is too attractive to pass by. If your approach to talent development is digital-first, automated and data-centric—that is, if it's modern—you'll find that it's also an effective way to coach, develop and lead virtual teams. **There will be clear winners and losers in the remote work world, and the contest will be won in large part by the organizations that get talent development right.**

4

Talent development is the best way to build a talent pipeline.

As most of the world gets vaccinated and life returns to normal, we're likely to see a surplus of talent in 2021, a buyer's market. That surplus probably won't last, because the fundamentals haven't changed. There's still a tremendous pressure on the market for talent, especially highly skilled talent. There are still structural problems: a looming skills shortage, significant learning gaps, the paucity of leadership and management talent, shifting workplace demographics and a desperate need for diversity and inclusion. All of these factors will conspire in the coming decade to disrupt the way we source, hire and promote talent. **With so much change coming, a focus on talent development is the best way to "recruit from within," upskill, re-train and ensure your organization has a talent pipeline, which may be the single most important competitive edge a business can have.**
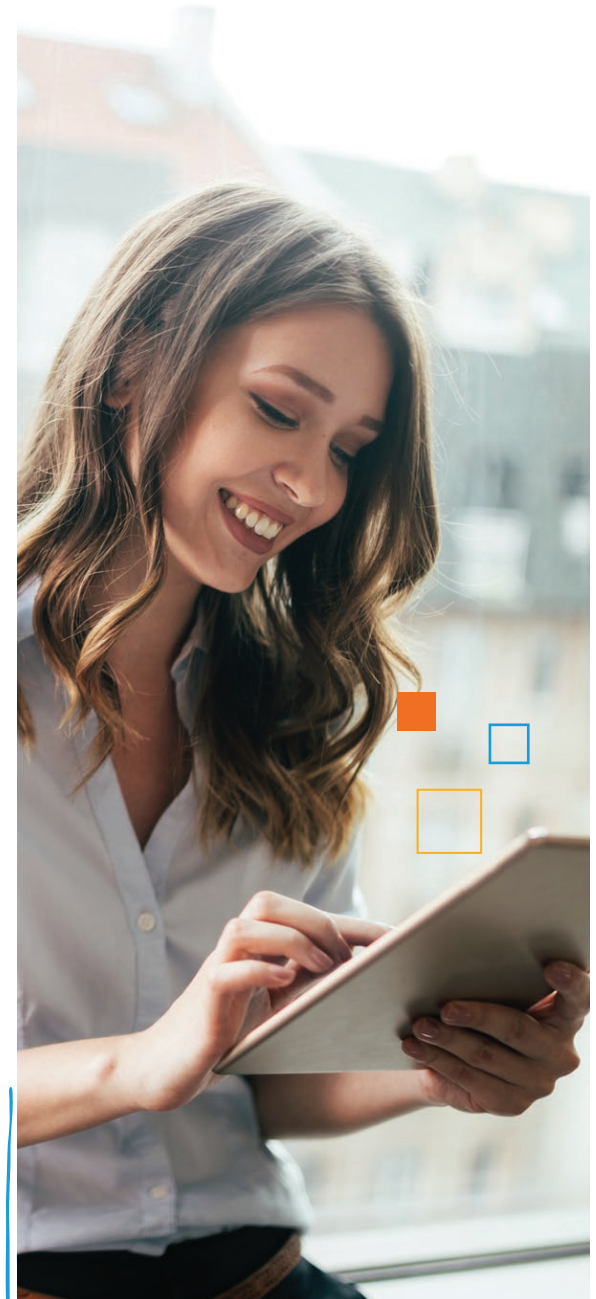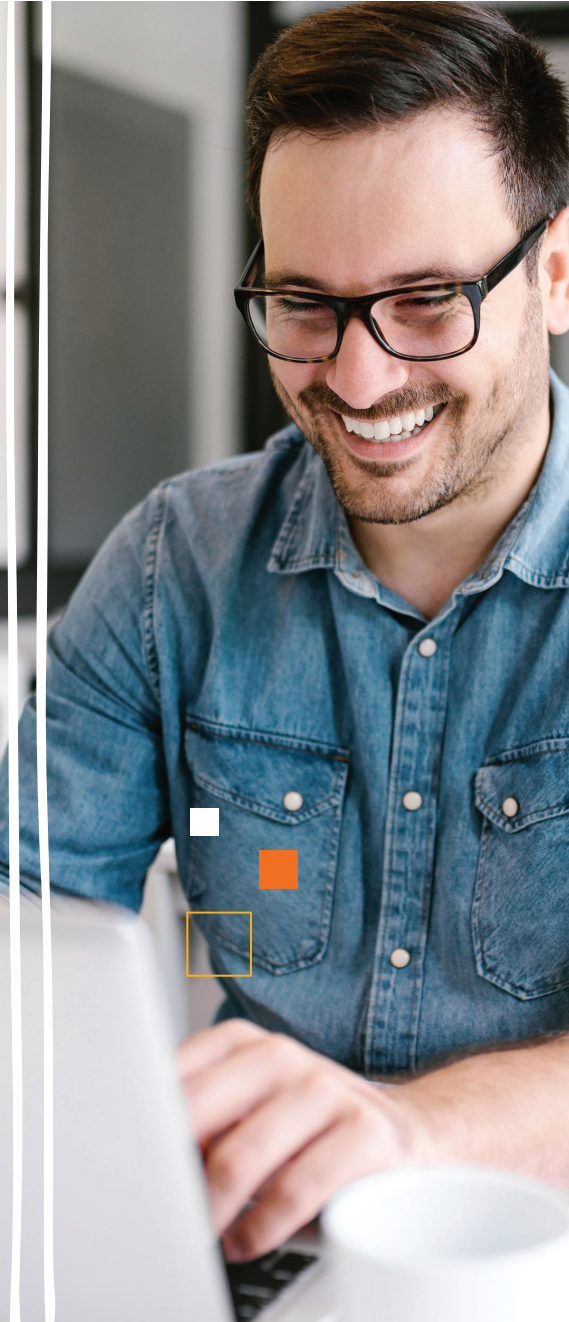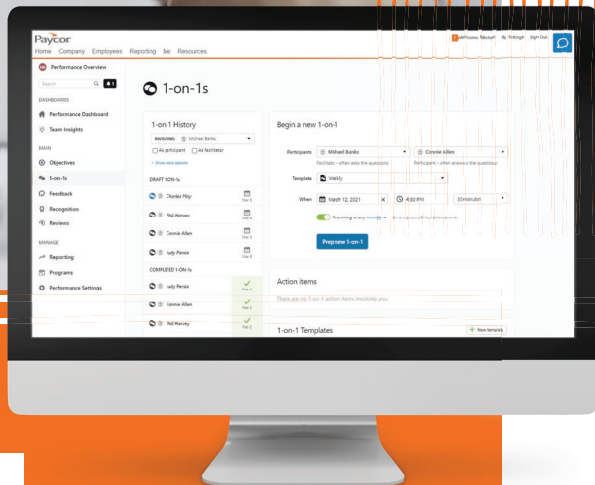
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Talent development
drives engagement.

Years of study keeps confirming what we intuitively know: engaged employees drive results. Way back in 2001, the Hay Group found that engaged employees bring in 43% more revenue than disengaged ones. In 2020, Gallup polling showed organizations with engaged teams are, on average, 18% more productive than their less-engaged competitors. **Nothing drives employee engagement more than a comprehensive focus on talent development.** When performance reviews are a continuous, data-driven and frictionless part of the company culture, organizations see a 14% increase in engagement and 24% higher workforce performance (Gartner).

Paycor's HR software *modernizes every aspect* of people management, including talent development.

Paycor Talent Development Helps Leaders:

- **Create a Culture of Continuous Development:** Automated workflows make coaching and feedback easy and natural. You also get the data you need to inform compensation, promotion and succession-planning.

- **Maintain an Ongoing Conversation:** With customizable, preloaded templates, you can build coaching sessions with your employees to get the most out of your time together. This keeps everyone focused and accountable.

- **Improve the Communication Loop:** The feedback tool improves the communication loop between peers, teams and the company as a whole.

- **Track Goals, Objectives and Key Results:** Our platform provides a visual representation of how your individual, team and organizational objectives are connected. This helps align your workforce to your company's top priorities and lets employees see where they're making the biggest impact.

- **Inspire Employees to Achieve Results:** When it's time to review performance, our system makes it easy to pull data from 1:1s and compare results against historical performance.

EMPLOYEE EXPERIENCE

HR

LEARNING MANAGEMENT

CAREER MANAGEMENT

PULSE

WORKFORCE MANAGEMENT

TIME

PAYROLL

TIME OFF MGR

SCHEDULING

TALENT MANAGEMENT

RECRUITING

ONBOARDING

COMPENSATION

TALENT DEVELOPMENT

BENEFITS ADMINISTRATION

BENEFITS ADVISOR

ACA

MOBILE

ANALYTICS

Leaders

About Us

Paycor builds HR software for leaders. Our Human Capital Management (HCM) platform modernizes every aspect of people management, from the way you recruit, onboard and develop people, to the way you pay and retain them. But what really sets us apart is our focus on leaders. For 30 years, we've been listening to and partnering with leaders, so we know what they need: HR technology that saves time, powerful analytics that provide actionable insights and personalized support from HR experts. That's why more than 40,000 businesses trust Paycor to help them solve problems and achieve their goals

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