

Automating Employment Management: TRM, the New Generation by H. Michael Boyd, Ph.D.

Introduction

In the “good old days” – back in the 1980s and 1990s – companies could rely on establishing a good brand and a good recruiting process to hire the talent that they needed to succeed. While they were not always successful, the strategy was one accepted as solid and competitive. The workforce and the workplace, however, have changed in the past several years and new technologies and tools are being applied to extend the reach of the employment function. One of the new concepts and tool sets is “talent relationship management.” It is clear that a set of tools is important around the concept that the relationship with talent must be more than about the initial hiring activity.

There were two converging applications of computing that began long before the talent wars of the 90s. One area of activity is what is now called “CRM (customer relationship management). It is not a new idea. Retailers and businesses have always captured and used individual customer preferences and information to delight and satisfy customer needs and desires. That was the very foundation of competition prior to mass-retailing. It was the local drug store, movie theater, or clothing store. Merchants would know their customers and stock what their customers liked. When was the last time that Wal-Mart called to tell you that the red licorice that you like had come in? Customers have traded the personal touch for price and variety. Merchants can offer lower prices and stock enough variety that most customers will find what they need.

Of course, merchants and businesses, being competitive, began trying to reach out to stimulate sales by using categorized lists based on what you had bought or self-disclosed. The practices became overwhelming and began alienating rather than satisfying customers. CRM is an automated effort at collecting data about customers and deriving from it a much more accurate listing of what a customer would want to be told about. It does seem to be working well for many enterprises – profit, non-profit, government, academic, and others.

The concept of CRM is beginning to be applied to the labor market much as it has been to the product and services marketing world. As the labor markets and individual workers have taken on an increased importance and value over the past decade so too has the desire to be able to attract individuals that have specific experience, characteristics, skills, knowledge, and interests.

TRM

As with CRM, TRM is not a new concept and many best-in-class enterprises are very good at it. One kind of TRM that has been working well is the use of employee referrals for employment. Rather than using a computer to collect and assess information about potential employees it relies on the brains of other employees – so, I suppose that is a biotechnical form of TRM. Long-term, of course, it is not very efficient. The value of applying computing resources to the collection, maintenance, and assessment of worker information is the same as with customer or vendor information. It provides the ability to target potential candidates for specific work with great accuracy in a way that will meet all of that person’s needs. With this information the employment professional may concentrate on the employee-employer relationship rather than the process of identifying

potential candidates.

The holistic approach to recruiting / staffing / employment has been dubbed TRM (talent relationship management) by BrassRing, Inc.. They are a leading provider of employment management and automation systems and resources and began a business strategy several years ago to offer resources promoting the integration of employment activities which allow movement toward real talent relationship management. They coined this term "TRM" and have watched it become well recognized at the strategy level at firms around the world.

Employment Automation

Employment automation has been around for a very long time. Like most functions it was initially, in the 60s and 70s, a way of keeping records, sending letters, and creating forms. In the 1980s applicant tracking systems were designed in order to collect, track, and report enterprise-wide staffing activity data. In the 1990s new Web centric tools allowed the interface to recruiting data to become available and useful to recruiters, HR managers, line managers, administrators, and even employees. Many can remember when the great innovation in employment administration was the introduction of NCR paper which replaced the need for carbon paper. So, we have progressed in about a thirty-year period from carbon paper to word processing to applicant tracking systems to "webified" enterprise employment solutions.

Complex Administrative Requirements

The administrative aspects of a good employment function are often overwhelming. As a result, they are often left undone. The results of poor administration are:

- Poor and incomplete records
- Inability to develop strategies
- Lack of effective tactical planning
- Poor recruiting practices
- Non-competitive recruiting results
- A recruiting function that commands little or no respect from line managers, employees, applicants, or other HR professionals.

There are legal and statutory requirements that certain data about applicants for employment be collected recorded, maintained, and available upon request. There are also requirements that certain information about applicants for employment may not be collected and used. Collecting and maintaining information such as age (in the U.S.) or race may put the company at considerable risk. It is critical that both in the case of what information must be collected and also in the case of what must not be collected that it be done accurately, consistently, and in strict accordance with desired practice.

Of course, nothing is simple and this area is no exception. It is necessary for the organization to report the racial, gender, etc. make up of its applicants but, at the same time, be able to substantiate that the information was not a factor in employment decision making (except where race, gender, age, etc. are legitimate and valid factors).

The larger the organization, the more important is administrative accuracy and effectiveness. Incorrect data, missing data, or late data will always cause the system to fail.

The value of information in TRM is exceptional. The more a recruiter or hiring manager knows about a candidate the more likely they are going to be able to select a potential top performing contributor. They must also create an individual value proposition for that top performer that will convince him or her to join the company. Neither the hiring decision nor the acceptance of the offer can be optimally accomplished without excellent information. Companies with good information consistently outperform companies without good information in the competition for talent. Companies with excellent employment administrative systems, practices, and discipline invariably have the best information. Even the best recruiter is at a severe competitive disadvantage without excellent information. The manager of an employment function simply can't manage without it – period!

Employment Systems

There are many employment automation systems and services. There are really many more than industry needs which has created a very competitive landscape for the employment automation and services provider industry. The key for an employment function is to select a way of creating administrative excellence that will be persistent, pervasive, and exact. Some companies will be best served by a large, integrated, legacy system. Many companies are better off having a small applicant tracking system on a PC on the employment administrator's desk. There are many more disasters than successes caused by making the wrong choice, or at least a choice that was not workable for that particular company. It is too easy to assume that all employment functions and activities are the same. They are not and the amount of difference between them is crucial to understand and accommodate when selecting and implementing any system.

The key is often the underlying employment processes that are being automated. While the technical aspects of a system are certainly important to its implementation and support, it is really the company's employment processes and the discipline of its administrative practices and requirements that enable a system to succeed or cause it to fail.

TRM Is a Paradigm and a Process, Not a System

The focus of this paper is on the concept of TRM as the new paradigm in the area of employment and talent relationships. There are always dangers of letting automation take the place of human interaction and understanding. Those functions and companies will fail. As stated in numerous articles and presentations by Dr. Boyd, work is a social phenomenon. As such, the real engagement mechanism is interpersonal involvement. Where automation prevents that in the employment process it will cause the process to break down and fail. TRM emphasizes the extended and individual relationship that must

be constructed for each and every employee.

The success of BrassRing, as an example, indicates that the employer and employment professional community agree that TRM is indeed the new generation of employment thinking and that it needs employment systems and services that focus on relationships in addition to the important traditional attention to applicant tracking functionality.

Of course, even the best tools will not save a self-destructive set of company priorities. A good illustration is the practice in America of firing (layoff, downsizing, reduction in force, and other more socially palatable terms) employees in order to reduce the operating cost of the enterprise when the company is not in danger of failure. The old approach is to fire them and provide some minimal financial and job hunting support (Although there have been many harsh practices of late where no severance and no notice were provided to fired employees.). I believe that those practices will prevent a company from participating in the labor markets of the future.

The companies that will be able to employ the workforce that they need at any time will be the ones that have adopted and live a TRM philosophy – they will have enduring relationships with candidates that were not hired, employees, former employees, retired employees, and employee affinity groups which will allow them welcome access to needed labor.

The smart company is the one that will not terminate employees when business revenues fall. They are companies like Agilent which cut salaries 10% across the board to avoid laying off employees. That is a wonderful example of TRM because TRM starts at the top and the Aligent action follows the example of one of its founders, Bill Hewlett, who once mandated that every employee take Fridays off (including himself) for six months to avoid laying off 1000 employees during a major sales downturn. There are other great examples of TRM such as MFS Investment management in Boston which hadn't laid people off in 70 years. The key is simply that these companies respect and value the human contributors in the business more than they do the capital metrics of the business. The business metrics, of course, are crucially important but the people are simply more valued. Those firms will prevail. Others will cease to exist and no one will care to come to the funeral.

Conclusion

As consumers are becoming more accustomed to individualized, desired, and non-invasive solicitations and targeting they will also begin expecting desired, individualized, and non-invasive contacting relative to their careers, work, and employment. This aspect of contact is much more sensitive due to regulations, personal privacy, appropriateness, and timing. In the U.S. society issues of self worth and self esteem also come heavily into play with the subject of one's job or position; and on a global basis the core issues of security, predictability, and dignity are always part of the consideration. Work and employment relationships are complex, perhaps more complex than any other aspect of social experience.

It is therefore absolutely necessary that the outreach aspect of TRM be of the highest sensitivity. To accomplish that requires the kind of data, information, and process excellence that has been noted earlier in this paper. Without it TRM will be a dysfunctional and negative effort. Systems and resources that attend to that information excellence are absolutely necessary. Solutions that enable the building and maintenance of relationships with talent are critical for companies that desire to compete for a decreasing supply of skilled professionals over the next decade.

The companies with talent relationships will know who to call when they need help. The companies without those relationships just won't have anyone to call.