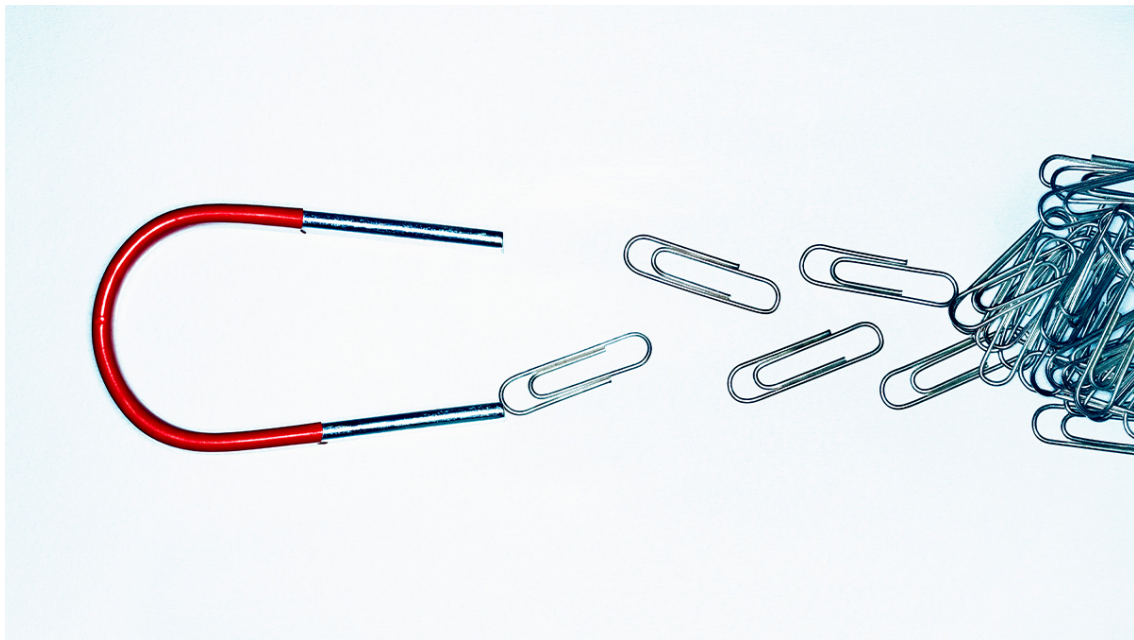


Developing Employees

A Data-Driven Approach to Identifying — and Retaining — Top Employees

by Kon Leong

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Summary. The rise of digital collaboration platforms and new methods for harvesting data, along with new technologies and novel approaches for finding and managing talent, are redefining how companies will build their workforces going forward. Remote work has... [**more**](#)

The so-called “war for talent,” bandied about in the media since it was coined by McKinsey & Company in 1997, is taking on a whole new meaning post-Covid. The competition to find and retain talent has only been exacerbated as workplaces have moved to virtual and hybrid configurations, held tenuously together by remote collaboration. The expansion beyond brick-and-mortar operations essentially nullifies many former practices for identifying and nurturing talent, and “management by walking around” just doesn’t work anymore.

At the same time, mountains of new data are suddenly available to help companies answer key questions about their workforce and its needs. The rise of digital collaboration platforms and new methods for harvesting data, along with new technologies and novel approaches for finding and managing talent, are redefining how companies will build their workforces going forward.

As an information management company with expertise in big data, we often find ourselves implementing new approaches to identify talent for more innovative organizations. And as a CEO in constant search for talent, I’ve seen firsthand how data can elevate a company’s hiring practices beyond the typical “intuition-based approach” to an evidence-based decision using meaningful but easy-to-miss indicators. In the spirit of illuminating the path ahead, I’ve compiled some of our key insights into this new paradigm.

Before Looking Elsewhere, Search Within

While “building” rather than “buying” is not a new concept in talent acquisition, the inherent difficulty lies in scouring the current ranks of your workforce to find the best fit for the new position. Internal hires, on average, receive higher performance reviews and cost less than their external counterparts, but 60% of hiring managers suggest internal recruiting could be improved by better identifying skills in existing employees. Thankfully, two digital trends have coalesced in the past year to make the task of identifying internal talent much easier.

First, remote work has increased the sheer volume of digital communications and work product generated by employees, propelled by the mass adoption of collaboration platforms like Microsoft Teams and Slack. Second, since organizations are usually obliged to manage this “unstructured data” for litigation, compliance, records-keeping, and privacy, some have taken the next step of leveraging it to glean insights, or “people analytics.” Employee data represents the keys to the human side of the corporate kingdom, and from it, practically every aspect of performance can be analyzed using technology available today.

Remember That Technology Is Your Friend

The utility of people analytics has only recently surfaced, but organizations have already started analyzing email and other messages to drive better internal hiring and promotion decisions. For example, high-performing employees often leave electronic communication trails that cross departmental boundaries and place them in the center of informal networks — which can be identified through people analytics. Similarly, subject-matter experts can typically be found through lexical analyses and by examining criteria such as who gets asked the most questions by other employees. Organizations that harness these insights can significantly reduce the level of difficulty involved in finding internal talent and matching them with promotion opportunities.

Organizations abound with both new unfilled positions and old positions that may have lost significance in a virtual environment. Consider the field sales rep whose skill set has become underutilized or the department tasked with managing on-premises technology and infrastructure that’s are being displaced by cloud adoption. By looking at changes in communication volume, direction, and sentiment, organizations can identify employees whose roles have been most affected. A program for repositioning and promoting proven employees to higher-impact roles can enhance corporate agility and should be a required first step when seeking — and redefining — talent.

Modify the Corporate Organizational Puzzle

Beyond performance assessment, fundamental questions can now be addressed through people analytics. The flow of communication can tell us a lot about how an organization truly operates, but it's often obscured by a rigid and outdated org chart. But by looking at the whole puzzle, companies can start to understand the pieces they have, the pieces they need, and how they fit together. What informal networks are at play that contribute to individual, departmental, and company-wide performance? How can the company identify and nurture the “movers and shakers” and ensure they are not overlooked, or worse, inadvertently lost? This type of human resource analysis can have an impact on corporate performance that is significant and immediate.

The scope of talent acquisition can also be redefined by technology through preserving corporate knowledge and memory. For example, the ability to analyze “Who knows what?” can alleviate the constant loss of institutional knowledge through the departure of key employees, including retiring baby boomers. To cite one instance, a dated software application running at a bank started acting up, and a quick data scan identified the expert who had recently retired. It was a simple matter of offering him a contract to address the problem.

The possible use cases are limited only by the imagination. For example, HR's sales recruiting policies can change drastically when management is able to track and analyze the quality and quantity of activity of new salespeople, thus predicting the probability of success or failure within a mere month or two. Put simply, the risks and costs of hiring errors are dramatically reduced when a company can gauge performance quickly and confidently.

One cautionary note: Employee privacy should always be top of mind. While technology can pose both opportunity and challenge, it's worth pointing out that strong control of data technology can be used to dial the degree of privacy toward one's comfort zone.

The (Virtual) Road Ahead in Talent Management

Technology is revamping talent acquisition and management. We should be aware of the ramifications and embrace or brace for the impact. On the plus side, there is a new transparency in human dynamics which can enable the next level of management, especially in our new Covid-impacted virtual environments, where technology now spins the invisible web that holds the human network together. Other benefits include the hope that analytics will be more neutrally balanced toward workforce equity and diversity than many of the subjective methods used today. On a more cautionary side, it's important to keep in mind that the power of such technology can be easily abused without diligent oversight.

Solutions are actively being devised for many areas of HR talent management still stuck in the shadows. Technology can be the candle, but you do need to strike the match to illuminate your options — and kindle the glow that nurtures your talent pool.

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