



The ROI of Social Networks for Talent Management

By Julie Norquist Roy, Cornerstone OnDemand Inc.

More organizations are embracing social networking and collaboration tools as part of their talent management initiatives. But at a time when organizations are looking to streamline costs while delivering more value, how can they build a business case, measure the business impact, and achieve success with corporate social software?

Most organizations acknowledge that their people are what give them a competitive advantage, but this can only hold true if the organization has been proactive in attracting, developing, motivating and retaining the best people. According to industry analyst firm Bersin & Associates, “Identifying and retaining top performers is one of the most important measures an organization can take to maintain a healthy company.”¹

This is why, despite the economy, organizations are still investing in technology to support their learning and talent management initiatives. However, rather than buying or implementing a comprehensive solution as one big project, most companies are implementing one or two solutions at a time, prioritizing initiatives based on immediate business needs and long-term organizational goals. Not only do they have to focus investments, but it also is more critical than ever for them to communicate the value of the expected return.

Building a strong business case and getting executive buy-in are critical areas where learning and HR executives should invest time up-front before pursuing a specific strategy or purchasing any enabling technologies. Gaining support and endorsement from all stakeholders – key leaders, managers and IT – means not only educating them on the significance of talent management in driving the organization’s goals, but also demonstrating how these initiatives can impact the bottom line.

Appropriate measures also should be established in order to track and objectively assess the effectiveness of talent initiatives. For common talent strategies such as leadership development, career pathing, onboarding programs, or talent acquisition, key success measures can range from increased retention and improved productivity, to increased employee engagement and improved time-to-productivity for new hires. But what about measuring the ROI of corporate social networks and collaboration tools?

Justifying ROI, Addressing Risks and Closing Gaps

“In some ways, measuring the ROI of a tool that enables communication and collaboration doesn’t seem to make sense. Do you measure the ROI of phones or e-mail?” commented Wendie Whelan, manager HRMS, Talent Development for Advantage Sales & Marketing, a premier packaged goods sales and marketing company with more than 20,000 associates and 66 offices in the U.S. and Canada.

For the past year, corporate social networking and collaboration tools – such as blogs, wikis, communities of practice and instant messaging (IM) – have been much buzzed about in the talent management space. Shifting business dynamics – globalization, geographically dispersed workforces, shorter information cycles and new technologies – have impacted how work gets done and how decisions get made. And millennial workers raised in the age of MySpace, Facebook and Twitter use these applications in everyday life, so it only stands to reason that they would want to use the same or similar tools for business purposes.

Many organizations are already using collaboration tools in an informal capacity. But when it comes to formal adoption and investment, companies “still struggle with exactly how and if their organization could benefit from Web 2.0 tools – or, if these tools are inherently believed to be a positive step, how they should be managed and used,” according to Aberdeen Group’s recent research report: HR Executive’s Guide to Web 2.0.²

Aberdeen’s study, which surveyed more than 500 HR and line-of-business executives, found that whether it was an organization that had some Web 2.0 tools in place and was looking to expand their use, or an organization that had yet to utilize any Web 2.0 solutions, the biggest barrier to adop-

tion was the inability to link to business metrics.

The study revealed that organizations currently using blogs, wikis and internal social networks demonstrated a 26 percent year-over-year improvement in employee engagement. Despite the positive business impact, however, organizations are still finding it difficult to establish reliable ROI measures that can justify large-scale, enterprise-wide investments in social networking and collaboration tools.

There also is the issue of addressing those in the organization who are skeptical of social networking tools. The CFO wants to know what the return on the investment will be. Many are concerned that social networking tools are too risky and uncontrollable. Others feel they're more for entertainment than for business purposes.

"Imagine being a senior leader and contemplating the use of social networking tools in the enterprise. The leaders may have kids who are constantly on Facebook. They probably think, 'why would I bring this into my company when it could negatively impact productivity?'" observes Whelan.

Skeptics generally haven't tried these tools, so the challenge for talent management leaders is to socialize the concept of social networking tools in the organization and close the gap in order to help in championing adoption.

Enabling Existing Programs

The Aberdeen study found that "Best-in-Class" organizations – those using social networking tools that achieved higher improvement rates of time-to-productivity and employee retention and a higher percentage of engaged employees – were more likely to have clearly defined purposes for Web 2.0 tools being implemented in their organizations. Additionally, these organizations viewed collaboration tools "not as a solution in and of themselves, but as enablers to their business by supporting goals like the generation of new ideas, developing their people or fostering a deep network of current or former talent." An increasing number of companies are leveraging collaboration tools to enhance their talent management initiatives throughout the employee lifecycle, including:

- Recruiting (43 percent),
- Learning and development/training (39 percent),
- Onboarding (23 percent),
- Employee performance management (17 percent), and
- Succession planning (8 percent).

One example of this is Liberty Mutual, which is introducing corporate social networking tools as part of its front-line management training program. In an effort to expand the week-long classroom experience in a meaningful way, the group of 30 to 50 participants will be able to connect online with their instructors and meet their peers before they enter the classroom. This includes sharing information about their jobs, prior experience and management challenges, and identifying their goals for the course and asking questions of senior-level managers in advance to help in structuring the learning experience.

"Allowing the line managers to get to know one another and do some pre-work via a workplace group enriches the training experience," said Larry Israelite, vice president, Human Resources Development for Liberty Mutual. "Beyond the classroom training, the community can evolve into an information resource, where the management development group can share content or program participants can post updates on their action plans."

Liberty did not establish specific success metrics for the initial pilot of the corporate social networking tools. Rather, a successful rollout of the initial pilot will be determined not only by line manager participation, but also by how the information shared in the community helped to shape the experience. "We'll be looking at whether the participants found value by doing it, and whether they're looking at and using the content. The quality of the content also will be an indicator of whether we're achieving our goals," said Israelite.

Liberty does plan to collect feedback on the initial pilot both verbally and via surveys to gain more insight into the program participants' use of the online communities. This input will help to shape the use of collaboration tools for future training groups.

Incremental Wins versus "Big Bang" Deployments

Some organizations also are identifying incremental wins versus "big bang" deployment opportunities in order to keep investments in collaboration tools manageable – the idea is to show business impact incrementally, over time, with less risk.

This is the approach Advantage Sales & Marketing (ASM) took this past summer when the company's Talent Development team decided to pilot a new corporate social networking tool as part of its new Accelerated Career Excellence in Sales (ACES) sales and leadership development program.

Advantage Sales & Marketing had been using SharePoint to facilitate information exchange with various groups within the company. However, limitations with the technology and the desire to be more strategic in fostering informal learning led the company to pilot a more robust social networking and collaboration platform that integrated with ASM's learning management system (LMS), both provided by Cornerstone OnDemand.

Advantage Sales & Marketing's Talent Development team determined that use of the social networking tools should be project-based versus a company-wide deployment in order to ensure engagement and participation. Said Whelan, "It's all about how you put the technology out there. If we rolled it out across the company, why would everyone want to participate or seek people out? There needs to be a common thread among the group and a need for specific information."

The ACES program is designed to provide qualified candidates with the sales and leadership skills necessary to become successful business development managers or customer development managers – vital roles in ASM's sales

organization structure. Over a 7 to 10 month period, the candidates are exposed to cross-functional business units within the company, including retail, category development, customer service, administration management, deductions management and sales operations.

The class size ranges from 10 to 15 participants – all of whom are Millennials and geographically dispersed. Each trainee also is assigned a veteran ASM sales mentor to work with throughout the program.

Advantage Sales & Marketing uses its LMS to train the ACES group using a specific curriculum and corresponding projects. For the social networking pilot, they developed a workplace community to supplement the program by facilitating informal learning, enhancing the mentor-trainee relationship, capturing corporate memory and gaining valuable insight into the participants' program experiences.

As with Liberty, ASM did not establish specific success metrics up-front. Instead, they plan to learn from the initial pilots, evaluating employee engagement with the online collaboration tools and the quality of information shared. Whelan says the company won't realize the impact for at least another year, but initial feedback from the pilot participants has been very positive, and engagement was particularly encouraging. Within a two-week period, the community featured 21 blog posts, generating more than a total of 800 views and 45 comments.

Targeting the Right Users

Generational differences and comfort with new technologies can be issues when introducing corporate social networking tools into an organization.

"Older generations need to have a better understanding of why social networks add value. Baby boomers and Gen Xers feel the need to know everything, but for Millennials, it is more about knowing how to get the information you need," says Whelan. "But if you pepper collaboration tools into the mix with the right activities, people will get used to them."

At Sanford Health, a large health care, education, and research network based in the Midwest, the organization's Center for Learning and Innovation is targeting specific groups for its social networking initiatives. "If early adopters make up about 10 to 15 percent of your workforce, the hope is that use of new technologies eventually rolls forward to a broader audience. Realistically, if we can get at least a fourth of a target group to actively participate in a new community of practice, we would consider it a success," said Sally Tilstra, Learning Technology manager for Sanford Health.

Sanford Health is known for leveraging new business technologies in innovative ways to ensure the very best quality in patient care, education and research. Its Learning Technology team collaborates with internal multidisciplinary groups to serve 13,200 active learners, including nearly 440 providers in 128 clinic and satellite clinics in the Midwest. Also included in Sanford's network are 23 hospi-

tals, such as its award-winning flagship facility, Sanford USD Medical Center, and the recently opened Sanford Children's Hospital, both in Sioux Falls, South Dakota.

The Learning Technology team did an initial pilot of social networking technology earlier this year with an integrated leadership group but encountered slow adoption because the online community of practice was launched after the individuals had already started working together. "By the time the technology was introduced, participants had already found other ways to communicate and to share information," said Tilstra.

Sanford, which integrates its corporate social networking tools with its LMS, is looking to relaunch the pilot program by the end of the year with other leadership groups in the organization. This may include a group of patient satisfaction leaders, which meets periodically to share experiences and discuss ways to improve the patient experience. Another group under consideration is the education coordinators. Creating an online community for the dispersed group makes it easier for participants to immediately share stories, exchange ideas and learn from their peers in other clinics and hospitals. System reports will allow Tilstra's team to monitor and track community participation.

"Once these collaboration tools are used by enough stakeholders in the organization, more groups will seek out the new technology, and utilization will then increase," said Tilstra.

Conclusion

More organizations are embracing social networking and collaboration tools for business purposes, including the support of their talent management initiatives. But, at a time when organizations are looking to streamline costs while delivering more value, how can they build a business case, measure the business impact and achieve success with social software?

- **Define the purpose.** Having a clearly defined purpose for implementing collaboration technology will make it easier to get senior leadership, IT, managers and employees to support and champion the initiative.
- **Take a practical approach.** Instead of leading with the technology, companies should look to supplement existing processes in ways that make sense for the company, the employees and its culture.
- **Establish metrics.** Knowing what you hope to achieve up-front and determining a way to measure this will help to get executive buy-in and drive adoption. Start with usage and participation metrics. Also look to align it with the metrics of the talent management program that the social tools are enhancing.
- **Start small.** Instead of proposing something large, splashy and expensive, take a slow build approach. Identify quick wins that support the organization's goals – and require less of an investment.
- **Target the right users.** Start with early adopters and target groups where collaboration tools can help them to be more successful in their roles.

- **Address the risk.** Corporate social networks tend to police themselves, with users sticking to contextually relevant discussions and calling out inappropriate behavior. Create a lightweight governance model and prepare for worst case scenarios in advance to avoid surprises down the road.

Endnotes

1 Leighanne Levensaler, *Talent Management Investments: Focusing on What Matters Most through Talent Planning*, Bersin & Associates, June 8, 2009.

2 Mollie Lombardi and Jayson Saba, *HR Executive's Guide to Web 2.0: Cracking the Code for Talent Management*, Aberdeen Group, June 2009.

About the Author



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