

A network graphic background consisting of white dots connected by thin white lines, set against a dark blue gradient background.

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Preamble



Frank Siepmann
Publisher
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Mathias Fleig
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Between hype and trend topics from artificial intelligence to blockchain to the Internet of Things or the Smartfactory, one can quickly get the impression that future technical innovations will determine the success or failure of companies. However, it should not be forgotten that employees will continue to make a decisive contribution to the company's success in the future, because the latest technology can only unfold its full advantages if employees have the necessary knowledge and the right skills. The fight for skilled workers, talents and high potentials will not lose anything of its importance if demographic change intensifies it.

In order to assert oneself in this environment, the importance of Talent Management and supporting Talent Management systems is increasing in the German-speaking economy, according to the findings of the eLearning BENCHMARKING studies from previous years. In the current eLearning BENCHMARKING Study 2018, Talent Management was again addressed in the form of a separate sub-study and new aspects of this subject area were examined. The following evaluation is based on the figures of the last two years and offers current insights and interpretations on the status of Talent Management in the DACH region.



Michael Grotherr
VP Central Europe
Cornerstone OnDemand

The year 2018 marks a turning point: the millennials reach adulthood and will soon enter the corporate world as adults. Many baby boomers have long since retired and some of the representatives of Generation X have already taken early retirement. This year, therefore, a change in the world of work is emerging in many respects. We have already observed in other studies that Germany lags about five years behind other European nations in the area of Talent Management. This is why German companies in particular are called upon to invest in strategic Talent Management if they want to continue to shape the future innovatively.

Every company is only as good as its employees. Countries hit hard by the crisis, such as Spain and Italy, have already invested heavily in Talent Management systems and realized that the road to business success always begins with their own workforce. The question for all managers should therefore be: How valuable are employees for the employer? How is work measured? And how can companies adapt to digital transformation? The eLearning BENCHMARKING Study 2018 was therefore conducted with the aim of measuring the future potential of Talent Management. In this way, Cornerstone aims to help lead companies into the digital information age through Talent Management.

Summary

According to the study participants, the lack of suitable candidates for specialist positions, employee motivation and insufficient systemic identification of knowledge and competence bearers are the three most acute challenges with which they are currently confronted. Interestingly, these challenges have not yet been reflected in the concrete use of Talent Management measures in companies. In this context, management training dominates in the first place, while measures to identify critical competencies as well as knowledge and competence bearers have so far only been used by a minority.

With regard to Talent Management Systems (TMS), the results of the eLearning BENCHMARKING study 2018 show that currently around one third of the companies surveyed use such software. At the same time, there seems to be great potential for the coming years, as around a quarter of the study participants are currently planning to purchase such a system, according to their own figures.

When selecting a suitable Talent Management System, the companies in question pay particular attention to compatibility with their own requirements profile, to the price/performance ratio and to the provider behind the system. The importance of the selection process can be seen from the satisfaction values that emerged from the study. Approximately every third company is dissatisfied with the Talent Management System used, which is due in particular to its user-friendliness and administration.

Talent Management in 4 keywords

skills shortage

79.3% of the companies surveyed regard the lack of suitable candidates for specialist positions as a challenge.

Target audiences

At 44.5%, junior managers are the most important target group for Talent Management measures.

Accountability

In 93.9% of the companies surveyed, the responsibility for the Talent Management System lies with the HR department.

Success factor

With 80.7 %, user-friendliness is by far the most important factor for the successful use of a TMS, according to the experience of the study participants.

Meaning, challenges & target groups

The own employees are and remain the most important resource of a company. Specialists, talents or high performers therefore play at least as important a role in the success of a company as the latest technology or the latest business model. In order not to lose touch in times of demographic change and the „war for talent“, Talent Management is a central tool for companies. But what challenges are HR departments actually confronted with? Which Talent Management measures are used in practice? And which target groups are addressed with Talent Management? The following chapter provides an overview of the status of Talent Management in German-speaking countries.



The importance of Talent Management is recognized

If key positions and competencies in a company cannot be filled sufficiently, this can have a negative impact on the growth and success of the company. To counter this danger, companies rely on Talent Management. Talent Management identifies and defines these key positions and competencies that are critical to success. In order to ensure the long-term filling of these positions and the coverage of the corresponding competencies, Talent Management also involves the recruitment, identification, retention and development of talented employees both internally within the company and externally through the recruitment of new employees.

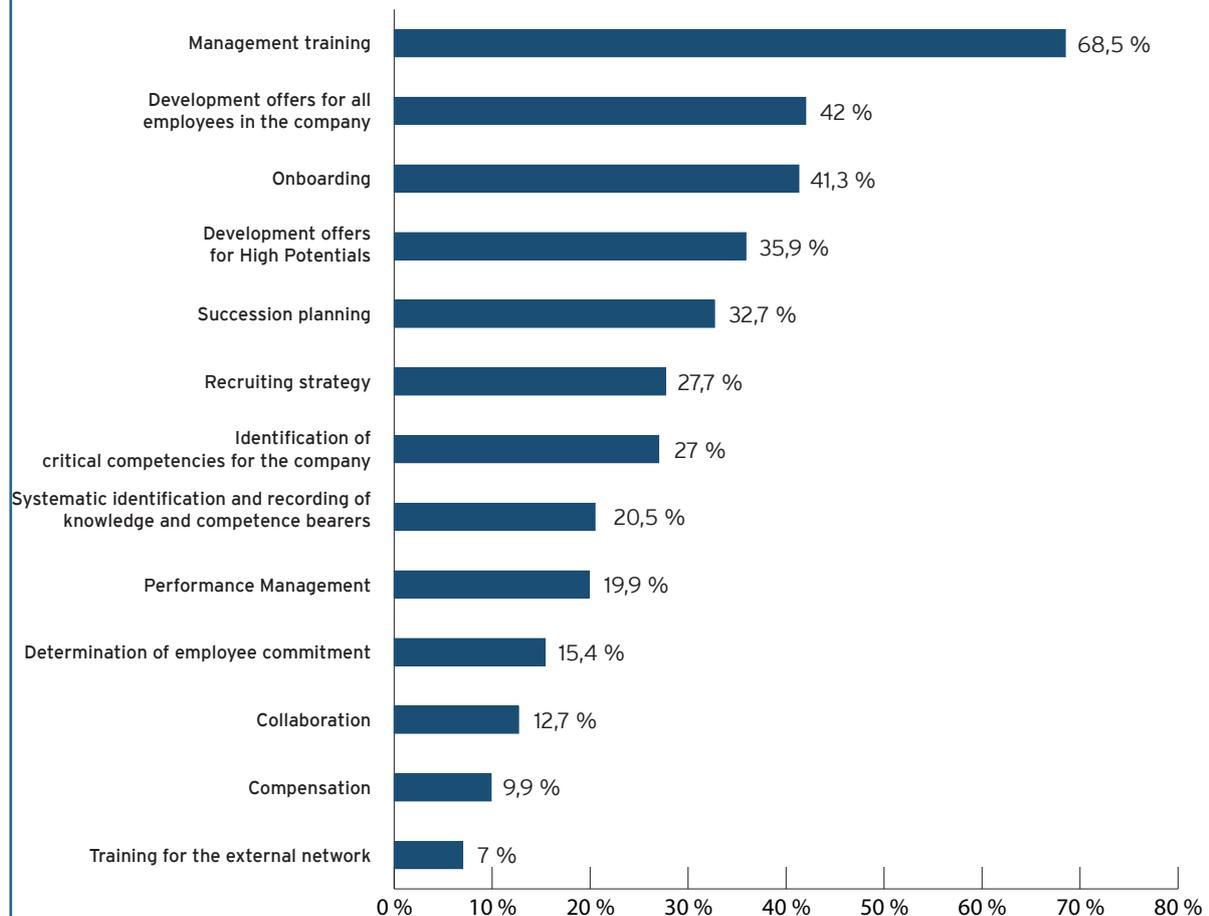
Especially due to the struggle for skilled workers and talents, more and more companies attach great importance to the topic of Talent Management, as the results of the eLearning BENCHMARKING study 2017 have clearly shown.

A proud 42.2% of the companies surveyed rated the relevance of Talent Management for their own company as high, while a further 38.7% rated the importance of the topic as moderate. Conversely, these figures mean that only one in five companies (19.1%) attaches little or no importance to Talent Management.

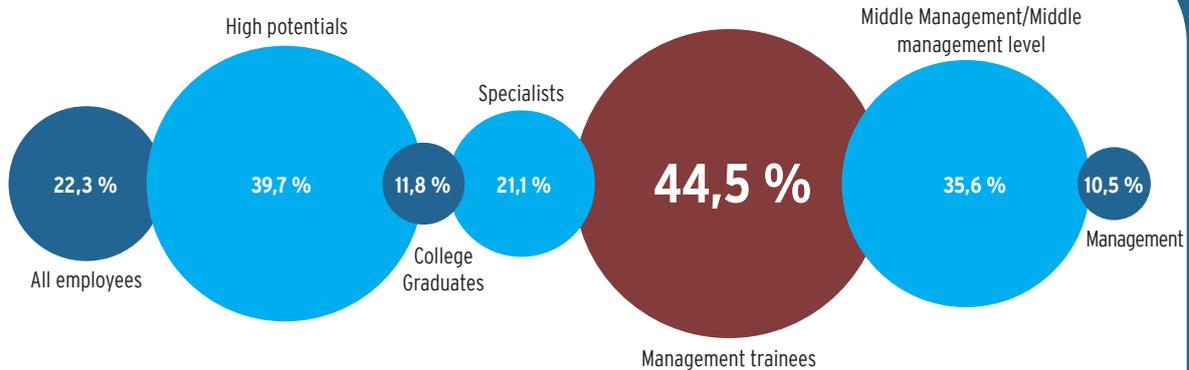
The contractions of the German economy

These high relevance values for Talent Management can be explained by a glance at the challenges with which the companies surveyed see themselves confronted. On the one hand, the eLearning BENCHMARKING study 2017 confirms the challenge of the shortage of skilled workers, as a clear majority of the study participants (79.3%) rated the lack of suitable candidates for specialist positions as very relevant or relevant.

Use of Talent Management measures



Most important target groups for Talent Management measures



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n=755

Question: Which target groups are most addressed in your company with Talent Management measures?? (Multiple responses were possible)

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This assessment underlines the fact that the often cited shortage of skilled workers is neither a future topic nor a media hype, but rather poses current problems for companies. The lack of suitable candidates for leadership positions has a somewhat lower relevance. However, with a comparative figure of 72.5%, demand in this area is also very high.

Another ongoing topic is employee motivation and commitment. Motivated employees are more productive, less likely to leave the company and become ill less often, to name just a few of the benefits. At the same time, regular studies show that on average only a minority of the workforce is highly motivated. In the current Gallup Engagement Index for Germany only 15 % have a high emotional connection to the company. The majority of the employees therefore do „duty by the book“, i.e. the tasks are completed, no more and no less. The remaining 15%, on the other hand, have even „internally resigned“. According to Gallup, the costs of this „internal dismissal“ amount to 80.3 to 105.1 billion euros per year for Germany alone. Against this background, it is therefore no surprise that the results of the eLearning BENCHMARKING study show that with 78% of mentions, employee motivation and commitment is one of the greatest challenges with which the companies surveyed see themselves confronted, according to their own statements.

Another 78% of respondents mentioned the hitherto inadequate systemic identification and recording of knowledge and competence bearers in the company. This point poses a particular challenge to companies because for many Talent Management aspects knowledge of the competencies of employees is indispensable. How should talent and high potentials be developed if they cannot even be adequately identi-

fied? How should succession planning be organized if one does not know which employees could be considered for it? In many respects, the systemic identification and recording of knowledge and competence bearers thus represents something like the basic prerequisite for successful Talent Management.

The challenges of migration from top candidates to other companies and internal mobility appear to be somewhat less urgent, although the comparative figures of 65.3% and 60.8% respectively mean that almost two out of three study participants consider these problems to be relevant.

Use of Talent Management measures

The companies surveyed are thus confronted with a whole range of current challenges relating to skilled workers and talents. Talent management is intended to enable companies to deal with many of these problems. But which Talent Management measures do companies really use in practice?

According to the results of the eLearning BENCHMARKING Study 2018, management training is by far the most widespread measure. At 68.5%, just over two-thirds of the companies surveyed invested in their management personnel.

In contrast, the development of all employees in significantly fewer companies appears to be a priority, because with 42% of mentions, significantly fewer companies rely on development offers for all employees.

Strikingly few companies rely on the systematic identification and recording of knowledge and competen-

ce bearers (20.5 %) as well as on the identification of competencies that are critical for the company (27 %). These figures therefore correspond with the results of the eLearning BENCHMARKING Study 2017, which already mentioned that the insufficient identification of knowledge and competence bearers is one of the greatest challenges in Talent Management according to the study participants. The current figures show that this topic has not yet been implemented in the vast majority of companies surveyed. However, the study participants seem to see a need for improvement in this area, as 18.2% of the study participants answered the question as to what they considered to be the most urgent need for a Talent Management initiative with the systematic identification and recording of knowledge and competence bearers and 16.1% with the identification of competencies that are critical for the company. A not inconsiderable number of the study participants therefore seem to be aware that there is still a lot of catching up to do in this area in their company.

A comparable picture can also be seen in the area of employee commitment. While in the previous year's study 78% of the study participants rated employee commitment as a relevant or very relevant challenge for the company, the current results show that only 15.4% of the surveyed companies determine employee commitment at all. In addition, the need for a Talent Management initiative for this topic is virtually non-existent at 1.9%.

Management training dominates

As the name suggests, Talent Management is all about talents, i.e. employees with a high level of performance.

These „high potentials“ are to be identified, developed and used in the best possible way within the company.

Does this mean that most employees are not relevant for Talent Management measures?

The results of the eLearning BENCHMARKING study 2018 seem to at least confirm this conclusion. This is because 44.5 % of the companies surveyed address the next generation of managers with their Talent Management measures, which puts this target group ahead of high potentials (39.7 %) as well as middle management or the middle management level (35.6 %).

In contrast, only 20.8% of the companies surveyed consider all employees in Talent Management measures. Interestingly enough, the comparative figure for skilled workers is almost the same at 21.1%, despite the fact that skilled labor is supposed to be such a big problem for the economy. Talent Management is not only about attracting talent, but also about retaining it. Shouldn't specialists be considered in Talent Management for this reason alone? If you do not offer your specialists development opportunities, then there is an increased risk that the person will accept a more attractive offer from another company at the first opportunity and the search will start all over again.

All in all, companies in German-speaking countries seem to primarily consider the target group of managers when it comes to Talent Management, which is also reflected in the fact that 68.5 percent of managers are trained in Talent Management which is by far the most common Talent Management measure. At the same time, the question arises as to whether the focus on managers under certain circumstances is not a waste of potential for companies, because the results of the eLearning BENCHMARKING Study 2018 show that so far only a minority of the companies surveyed have systematically determined the competencies of their employees.

Substudy Talent Management

TMS - from the selection to the successful use

A TMS is designed to support companies at various stages of a Talent Management concept and can make the processes of a company's human resources department more efficient, from recruiting to identifying and managing competencies to developing talents. At the same time, a TMS is a long-term investment, similar to a learning management system, which can make it difficult to acquire such software, especially in small and medium-sized enterprises with fewer available resources.



Great growth potential for Talent Management Systems

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The results of the current eLearning BENCHMARKING study 2018 show that at 34.3%, slightly more than a third of the companies surveyed have one or more Talent Management systems in use. In addition, at 25.2%, every fourth company plans to acquire a TMS in the immediate future, i.e. in the next few years the incidence could rise to well over 50%. Especially for small and medium-sized companies there seems to be a lot of catching up to do when it comes to Talent Management Systems. For companies with less than 500 employees, for example, the prevalence is currently 10.6%, while at the same time 20.2% of this target group are planning to purchase a TMS according to their own specifications. The situation is similar for companies with 500 to 1,000 employees, of which only 17.9% already use a TMS, but a proud 35.9% have such an investment in mind.

With the exception of large companies with more than 25,000 employees, the spread of Talent Management

systems in all other company sizes seems to double or even almost triple in the next few years.

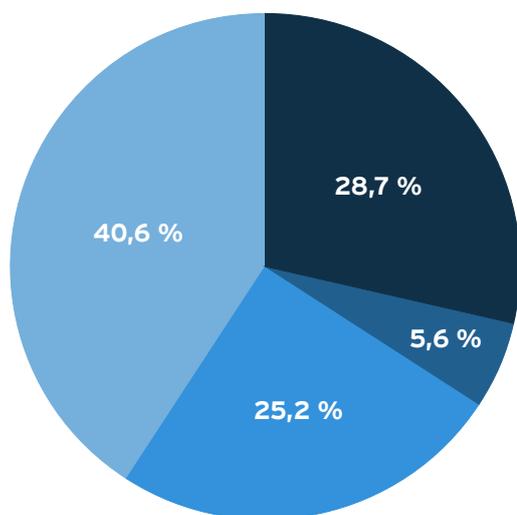
Using a TMS is a question of resources

Conversely, however, these figures also mean that 40.5% of the companies surveyed currently neither use a TMS nor plan to purchase such software. If we compare the figures again with those of the Learning Management Systems, the figures from the previous year's study show that the prevalence of this infrastructure is currently 72.1 %, which is considerably higher. So what are the current reasons against using a Talent Management System?

Based on the figures of the current study, the lack of resources is the most important reason against the use of a TMS, accounting for 52.3% of the responses. In addition, with 28.9%, the previous processes, such as the use of Excel spreadsheets, have so far been sufficient to cover the company's own requirements. Resistance from stakeholders (above all from management) plays a rather subordinate role with 10.2%.

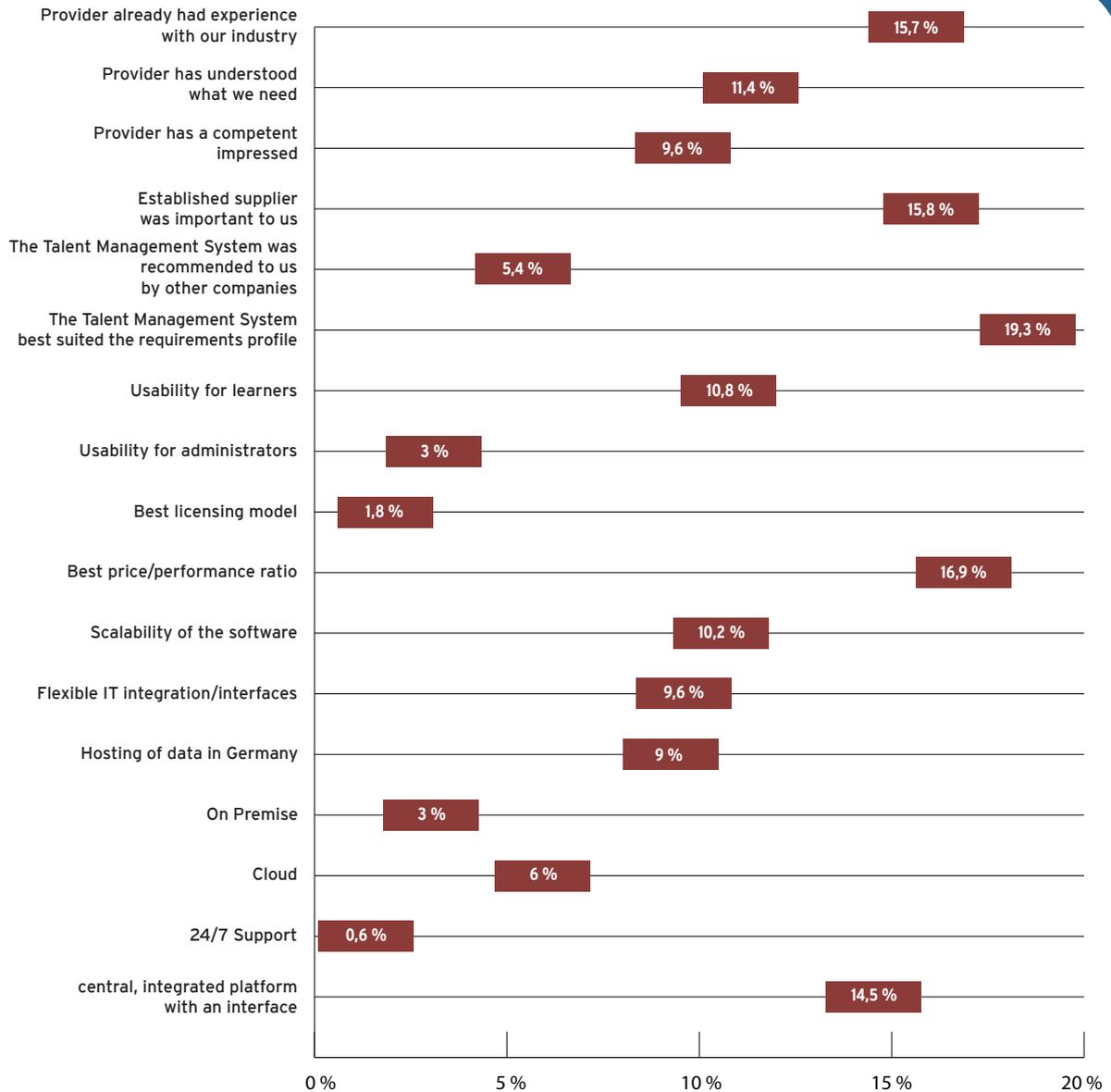
These results basically confirm the findings of the eLearning BENCHMARKING Study 2017. In the previous year's study, the lack of budget was also the main reason why the study participants did not want to purchase a TMS, with 38.7% of the respondents citing it as a reason.

Use of a Talent Management System



- A Talent Management System is in use
- Several Talent Management Systems are in use
- The use of a Talent Management System is being planned.
- No Talent Management System is used

Reasons to buy the current Talent Management System



eLearning
JOURNAL
BENCHMARKING

n=166

Question: What were the key reasons for purchasing your current Talent Management system?
(multiple answers were possible)

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The inadequate demand was also a reason for this in the previous year, as existing individual solutions were already sufficient in 23.1% of the companies surveyed.

All in all, the question of resources seems to make the spread of Talent Management systems in German-speaking countries more difficult. Small companies with fewer than 500 employees in particular have a hard time with TMS, because according to the eLearning BENCHMARKING study, only 10.6% of the companies surveyed in this target group currently use such software.

At the same time, smaller companies traditionally have fewer resources, both in the form of financial

resources for the purchase of a TMS and on the personnel side, in terms of the selection, use and administration of such a system. On the other hand, the spread of TMS increases significantly with the size of the company and thus the resources available, as the comparable figure of 65.6% for companies with more than 25,000 employees is more than six times higher.

The price is only one buying reason of many

Against this background, one might assume that companies pay particular attention to price when selecting a Talent Management system. However, the results of the eLearning BENCHMARKING Study 2018

paint a much more differentiated picture. Accordingly, the price/performance ratio of 16,9 % is one of the most frequently cited reasons that were decisive in the acquisition of the current TMS. At the same time, there are a number of other reasons that seem to have similar relevance in the selection process. For example, at 19.3%, the most important selection criterion was that the Talent Management System best matched the company's own requirements profile. For 14.5% of the study participants, the TMS had to be a central, integrated platform with a user interface and not a collection of tools for various tasks (recruiting, personnel development, succession planning, etc.).

In addition, the underlying providers play an important role in the selection of a Talent Management system for the study participants. For 15.7% of the companies surveyed, it was important that TMS was backed by an established provider, i.e. indicators such as the number of employees or the number of years the provider has been on the market were also taken into account in the purchase decision. If one considers that the purchase of a TMS always represents a longer-term decision, it only makes sense to bet on an established provider, after all one does not want to stand before the situation that after some years the provider disappears from the market and one is stuck on the system without support.

Also 15.7 % of the study participants stated that the provider should already have experience with their

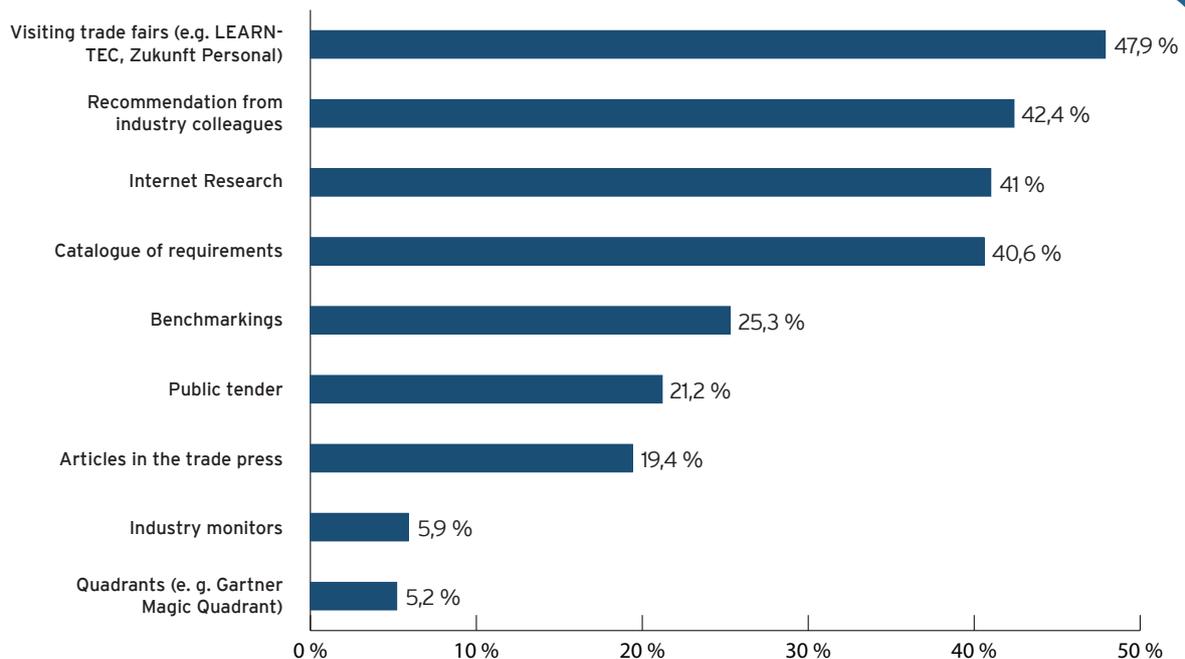
own industry. In addition, 11.4% of those surveyed appreciated the fact that the provider really understood what the company needed, while for 9.6% the competent impression of the provider played a role.

Provider selection via various channels

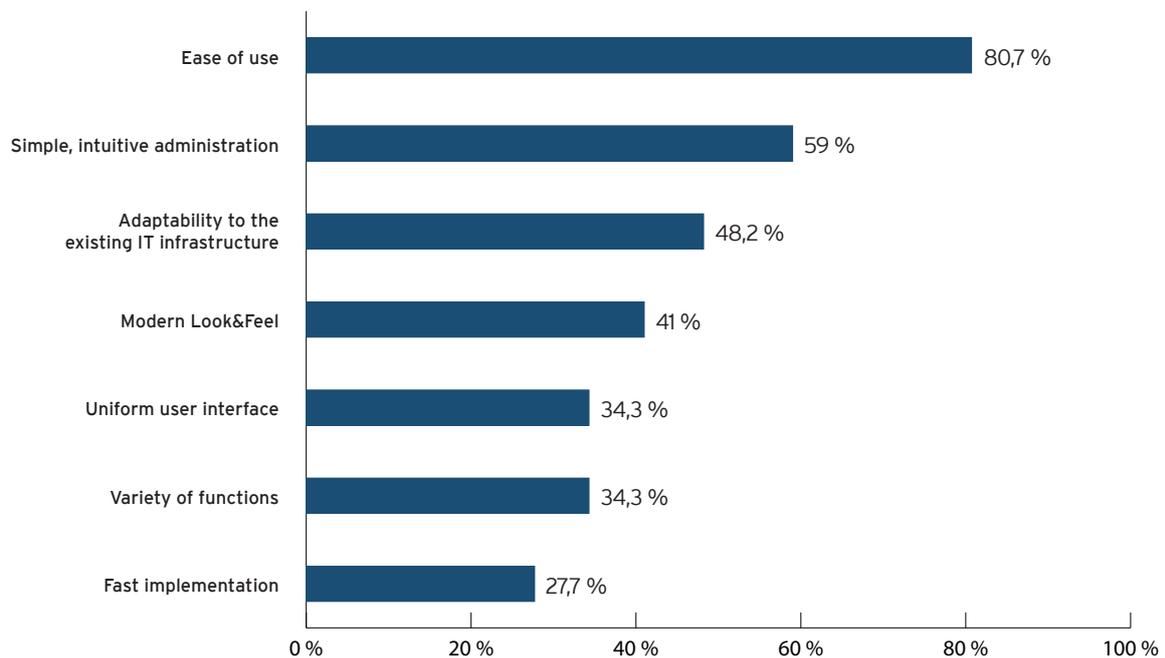
As the previous values show, the providers behind a TMS often play a decisive role in the system selection. At the same time, it is not always easy to find the right supplier with the right system, because there is a large selection both nationally and internationally. In order to orientate themselves in this often-confusing market, the companies surveyed use a multitude of different sources of information. Trade fairs seem to be an important pillar in the selection process. Almost half of the study participants (47.9%) stated that they had attended trade fairs such as LEARNTEC or Zukunft Personal before purchasing a Talent Management System.

In addition, of course, your own research also plays an important role. Research on the Internet is particularly widespread, with 41% of respondents citing it, while around one-fifth of the companies surveyed (19.4%) consulted articles in the trade press when making their selection. Not to be underestimated are the experiences of other companies with a provider or with a Talent Management system. As many as 42.4 % of the participants in the study take the recommenda-

Selection Criteria for Talent Management System Providers



Success factors in the implementation of Talent Management Systems



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n=166

Question: In your opinion, which factors are decisive for the successful use of the Talent Management system in your company? (Multiple answers were possible)

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tions of their industry colleagues into account when selecting providers. In addition, 40.6% of the companies surveyed use their own requirement catalogues to determine which systems best fit their own needs and ideas.

Every third company is dissatisfied with its own TMS

The results of the eLearning BENCHMARKING study 2018 show how complex the selection of a Talent Management System is and which various factors can influence the purchase decision. At the same time such an effort makes sense, after all, a TMS usually remains in use for years, because switching to new software is costly and time-consuming. Therefore, it is all the more significant if it turns out in practical use that one is dissatisfied with one's own Talent Management System, for example because not all requirements will be met after all.

As the figures of the current study show, about one in three companies seems to regret the purchase afterwards. Because 36.8% of the study participants stated that they would improve something in their Talent Management System, something was missing or something was deficient. The eLearning BENCHMARKING study 2017 already showed that 61% of only two out of three companies are satisfied or very satisfied with the Talent Management System used.

In addition, the two current BENCHMARKING studies also provide indications of the reasons why a subset of the companies surveyed is actually not satisfied with their Talent Management System. In the 2017 study, two primary points of criticism emerged. On the one hand, a large majority (72.2%) of companies dissatisfied with their current TMS indicated that not all requirements could be covered by the current system. In addition, the lack of user-friendliness was another source of dissatisfaction for 64.8%. Feedback from the 2018 study confirms the findings from the previous year. By far the most frequently cited need for improvement is therefore also user-friendliness.

Against this background, the study participants in the eLearning BENCHMARKING Study 2018 were asked which factors were actually decisive for the successful use of a Talent Management System.

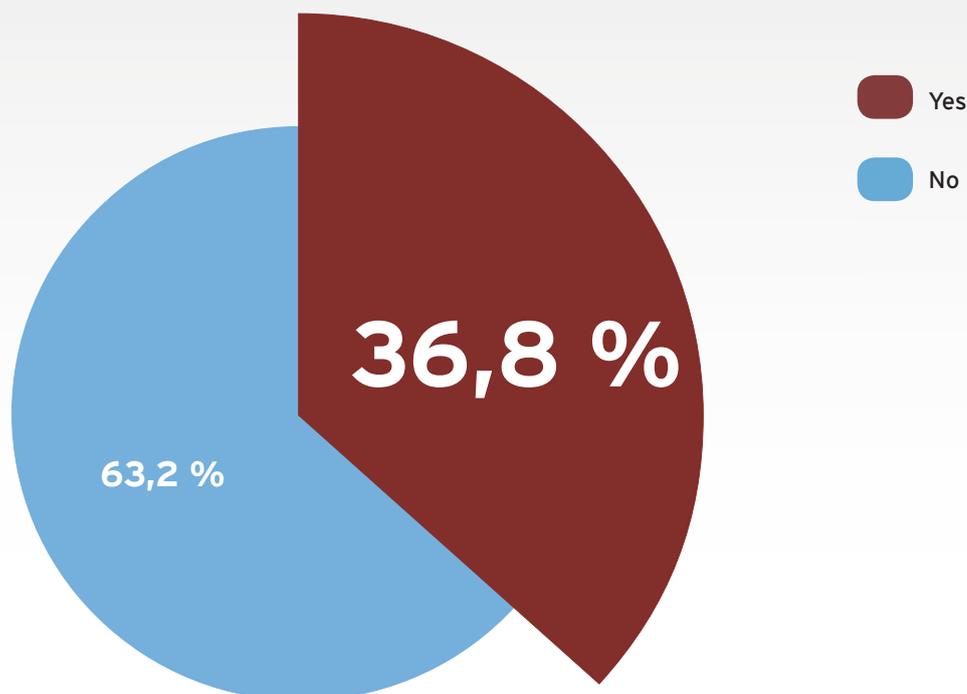
Not surprisingly, user-friendliness is by far the most frequently cited success factor, with 80.7% of respondents mentioning it. But not only the usability of the employees is important to the surveyed companies. According to the study participants, administration is also relevant, as a majority of 59% of the respondents also attach great importance to simple and intuitive operation for administrators. In addition to user-friendliness, the adaptability of the Talent Management System to the existing IT infrastructure is a success factor for almost half of those surveyed (48.2%).

Overall, the results of the last two BENCHMARKING studies show on the one hand that around two thirds of the companies surveyed are satisfied or very satisfied with their current Talent Management System.

All in all, this is a higher value, which speaks for the TMS used in the DACH region, because, for example, the comparative value for satisfaction with Learning Management Systems from the 2017 study was significantly lower at 54.1%. On the other hand, there

seems to be a clear potential for improvement in the usability of the current TMS, both in terms of user-friendliness for employees and administration. For TMS providers, a particularly well-thought-out user interface could therefore be an argument with which one can differentiate oneself from the competition, while on the company side usability should perhaps play an even greater role in the decision-making process.

Is your Talent Management System in need of improvement?



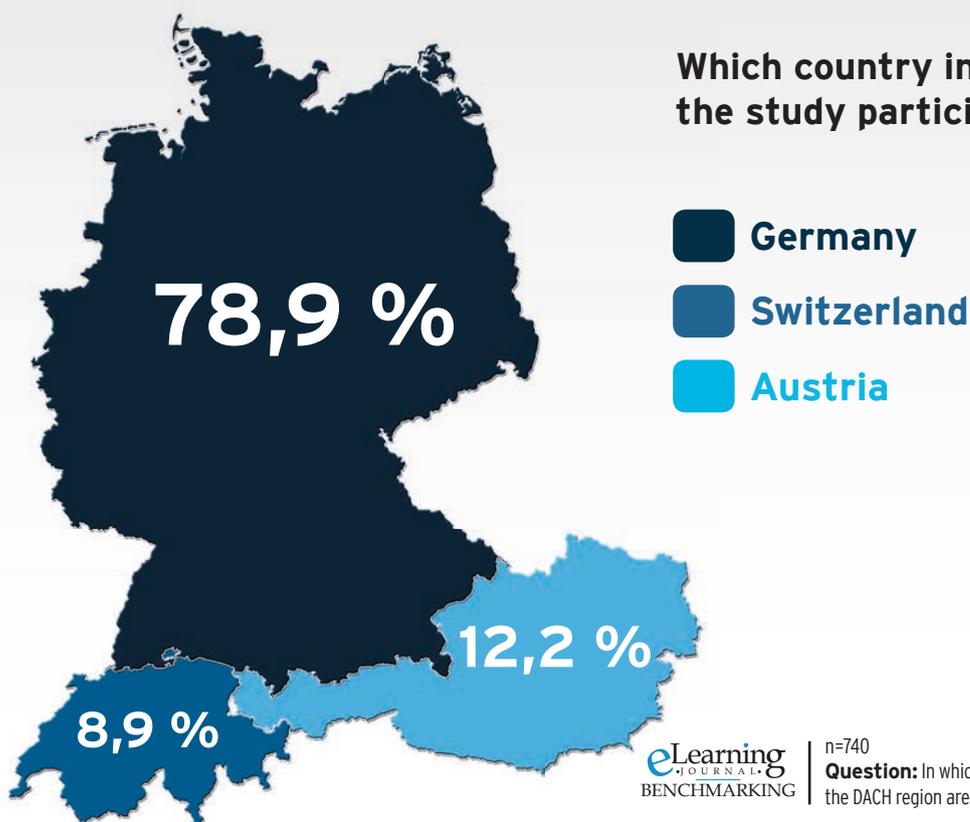
Methodology

The editorial staff of the eLearning Journal has been conducting the eLearning BENCHMARKING study annually since 2014 in order to obtain current insights into the eLearning and continuing education practice of the German-speaking business community, including the molecular use of eLearning measures as well as expected trends and future developments in this area for the coming years. The eLearning BENCHMARKING study thus offers a comprehensive orientation aid for companies and organizations from Germany, Austria and Switzerland.

About 850 companies participated in the current eLearning BENCHMARKING study 2018 entitled „eLearning & Continuing Education“. The study comprises a total of 6 sub-studies with a focus on Mobile Learning, Competence Management, Talent Management, Digitization, language training and a separate sub-study for eLearning service providers and freelancers.

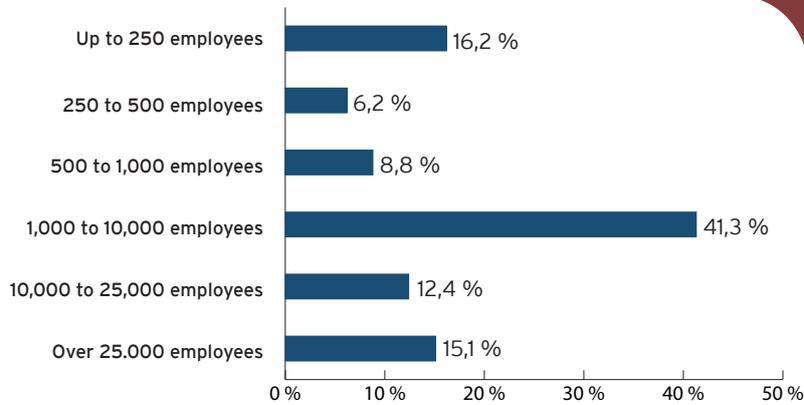
The eLearning BENCHMARKING Study 2018 primarily surveyed companies and organizations using eLearning. As part of the study, employees of the eLearning Journal invited the study participants from previous years as well as participants from companies and organizations using the eLearning SUMMIT Tour 2017, which consisted of a total of 25 events and around 3,000 participants, to the study by telephone. The actual data collection took place anonymously via a special online survey software. In addition, the 20,000 editorial contacts of the eLearning Journal were invited to participate in the eLearning BENCHMARKING study with an e-mail campaign.

Which country in the DACH region do the study participants come from?



A cross-section of our study participants

company size



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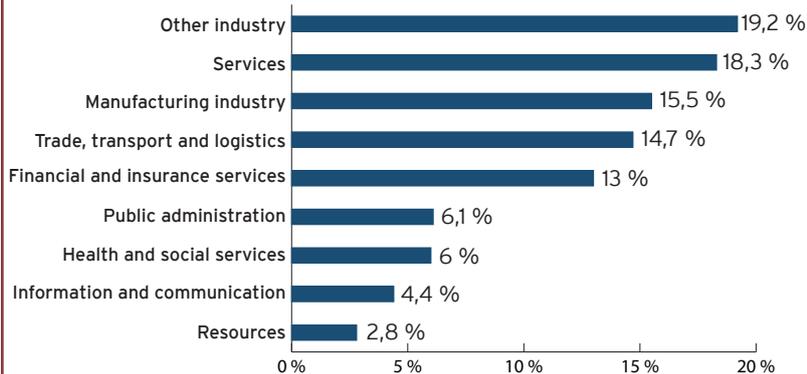
n=747

Question: How many employees does your company have?

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branch



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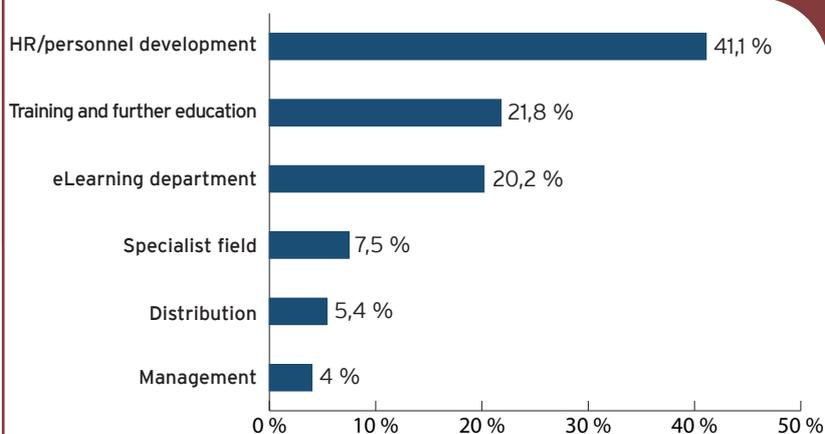
n=749

Question: Which branch does your company belong to?

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Position of the study participants



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n=744

Question: In which area do you work in your company?

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Recognitions

Project implementation:



The eLearning Journal is a trade journal of the Siepmann Media business publishing house and publishes five print publications annually on various topics in the fields of eLearning and in-company education. In addition, since 2014 the eLearning Journal has conducted the largest annual study on the operational use of eLearning in German-speaking countries, the eLearning BENCHMARKING Study. In addition to the journalistic activities, the eLearning Journal organizes the decentralized conference series „eLearning SUMMIT Tour“ with approx. 25 events and 2,500 to 3,000 participants from companies and organizations in Germany, Austria and Switzerland.

Project partner:



Cornerstone OnDemand is a pioneer in developing solutions that help companies re-align the potential of the new world of work. As one of the world's leading providers of cloud-based software for human capital management, Cornerstone enables continuous education and development. These are important for the development of employees and organisations. From recruiting, onboarding, training and collaboration to performance management, compensation and succession planning to people administration and analytics, Cornerstone offers solutions for all phases of the employee cycle. The company's software and services are used by nearly 3,250 customers worldwide and are used by more than 36 million users in 192 countries and 43 languages. Learn more at: <https://www.cornerstoneondemand.de>

Cooperation partner:



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