

eBook

Rethinking Talent Management



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Introduction.

People are the driving force of a company. Without the right talent, companies risk lower levels of productivity, innovation, and customer satisfaction. Employers today face a more complex talent management landscape than ever before, and those who manage talent well will have a competitive edge over those who do not.

Managing talent has always been an important function of HR, but the rapid pace of change in recent years has shed new light on how talent management impacts every aspect of the business.

The movement toward skills-based hiring, the need to provide a more personalized employee experience, and the necessity to unlock greater operational efficiencies, are just a handful of the changes companies must consider when designing a talent management strategy.

What hasn't changed: Employees, wherever they work, want to feel connected and engaged. They want the potential for career growth and to know that they add value in their role. And companies, as always, want to hire the best talent and remain nimble amid changing business conditions.

Now more than ever, talent management strategies must be flexible and agile. Strategic talent management helps an organization better understand, align, and develop its workforce. With detailed insights into their workforce—such as behaviors, productivity, skills, and aspirations—leaders can better drive company growth and help the organization realize the full value its workers can deliver.

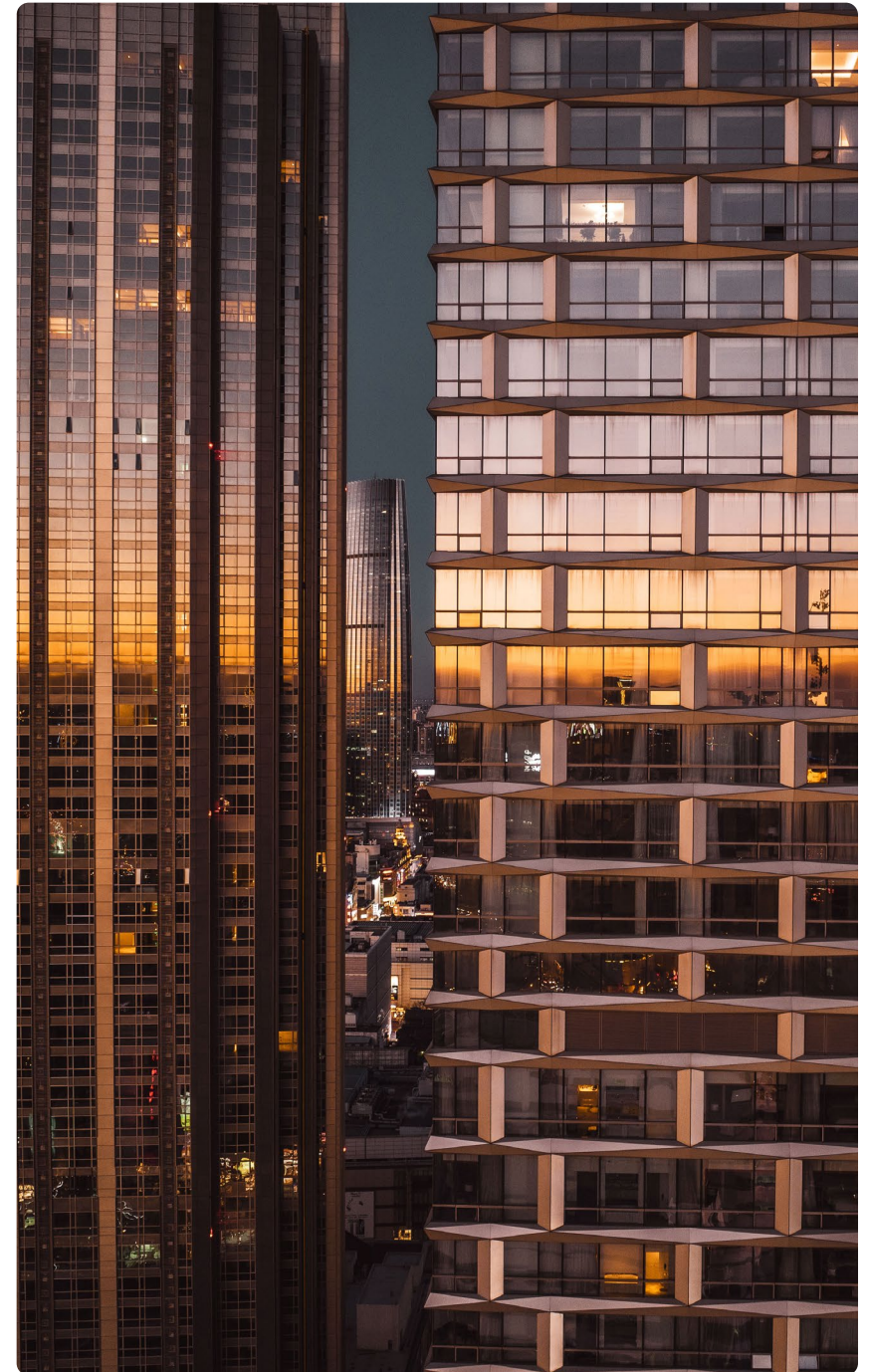


The evolution of talent management.

Business and human capital management (HCM) practices have evolved significantly over the past decade. A shift in the fundamental nature of work, new technology, and evolving workforce demographics are changing how work gets done, how organizations operate, and what it takes to keep people engaged.

The talent management landscape has transitioned from traditional, job-centric systems to dynamic, skills-focused models, making way for the next innovation wave—talent orchestration. Historically, the shift from multiple isolated HR systems to integrated talent systems focused on operational efficiency. In recent years, we have seen the rise of talent intelligence, which leverages AI to provide a comprehensive understanding of the workforce.

Now, we're entering the era of talent orchestration—focusing on outcomes rather than insights. This approach aligns workforce strategies, such as internal mobility, workforce planning, and employee development, with business goals. Leveraging AI to synthesize data across systems, talent orchestration unlocks real-time insights that foster agility and resilience in the modern enterprise. This represents a transformative shift where intelligent, strategic talent practices are pivotal for organizational success in a rapidly changing world.



Establishing a connected talent management experience.

End-to-end talent management is about taking a strategic approach to attract, retain, and develop your workforce—because running a company requires more than just hiring people who can perform specific tasks. Companies need to build a competitive workforce by sourcing in-demand skills and investing in continuous learning and development while also managing and optimizing performance.

The skills that a company needs evolve as the company grows. At Workday, we believe that applying a skills-based lens to optimize talent enables workers to meet changing business demands. Companies that invest in the employee experience throughout the talent lifecycle are able to reap the rewards of a highly engaged workforce that makes the most effective use of its skills to achieve business outcomes.



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To take a more strategic approach to end-to-end talent management, organizations should focus on driving efficiencies and fostering connections between key components, which include:

Recruiting. In today's dynamic and competitive job market, a robust and agile talent acquisition strategy is essential for success. With applications growing 4x faster than job requisitions¹—alongside shifting job requirements and skills gaps—organizations must balance speed, cost, quality, diversity, and candidate experience. A streamlined, data-driven recruitment process that optimizes existing talent pools and taps into as yet undiscovered workers will help companies maintain a competitive edge.

Onboarding. A well-structured onboarding process helps new hires understand the expectations of their role and feel a greater sense of belonging, which in turn boosts their confidence and engagement. It accelerates their productivity by providing the necessary resources and training, reducing the time it takes for them to contribute meaningfully.

Performance enablement. Traditionally, organizations have managed employee performance by focusing on the past and “monitoring” performance. However, in recent years, there has been a shift toward agile performance enablement—a forward-facing approach that empowers employees to drive their career progression. Performance enablement processes emphasize ongoing dialogue and development and a greater focus on acquiring the right skills and experience to be successful.

Learning and development. Training, online learning, and other tools enable workers to reach their full potential, expand their skills and capabilities, and prepare for new career opportunities. Learning and development opportunities are especially critical for companies that want to keep their employees engaged and close the skills gap within the organization through reskilling or upskilling.

Talent mobility. Internal mobility is a well-known approach to addressing skills gaps. It's also a key driver of employee engagement, development, and satisfaction—providing opportunities for career progression within an organization. It encourages skills development and aligns employees' strengths with business needs. By rethinking internal mobility, organizations can create a more agile workforce capable of adapting to changing business demands.

Succession planning. Developing future leaders not only helps to retain top talent but also preserves institutional knowledge and ensures business continuity. By fostering employee growth and providing clear career progression opportunities, succession planning boosts morale and retention, ultimately helping the organization remain resilient and prepared for change.

Critical skills and gap analysis. Many organizations are going through a transformation. By assessing the skills of today's workforce and the projected skills and capabilities needed in the future, companies can better plan for and prepare a workforce that fills the gaps and roles the company needs.

Talent management contributes to both workforce and strategic planning. Workforce planning helps to identify business-critical roles and place people effectively, while talent management addresses how a company develops and maintains the necessary talent. Strong talent management brings out the best in employees and helps them to flourish in a way that supports their own career paths and the goals of the business.

¹Workday, “The Workday Global Workforce Report: Restoring Trust Before Your Top People Leave”; 2024.

Defining a talent management system.

A modern talent management system enhances the employee experience by connecting experiences throughout the employee lifecycle to the overall business strategy. From identifying skills gaps to retaining top performers, companies are better equipped to fine-tune talent strategies across the organization.

As organizations strive to be more strategic in how they attract, develop, and retain talent, many business leaders are questioning where to start and how to make sure they're staying on track.

The first step is to establish a well-designed job architecture, which plays a crucial role in modern talent management as it provides a structured framework for organizing roles, responsibilities, and career paths within an organization. It ensures clarity and consistency across job functions, helping both employees and managers understand expectations while supporting fair compensation and benchmarking practices.

Establishing a well-designed job architecture provides a strong foundation for companies to create an interconnected talent management system that supports workforce growth, development, and long-term success.

A cohesive talent management system allows for seamless management of the entire employee lifecycle, from recruiting and onboarding to development, performance management, and succession planning. By centralizing these processes, business leaders gain access to critical data and insights that inform talent strategies and workforce planning across the business. This integrated approach enables companies to respond quickly to skills gaps, market shifts, and future workforce needs, driving both operational efficiency and organizational performance.



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Transforming talent management: driving outcomes through AI innovation.

Rethinking how work gets done with AI is a priority for business leaders, but they are seeking solutions that deliver tangible outcomes. Approached correctly, AI transformation has the potential to revolutionize how teams operate, streamline workflows, and enable employees to perform their roles faster and smarter—leading to increased job satisfaction and profitability.



Here are some outcomes achieved by our customers who are embracing AI transformation effectively:

Boosting recruiter productivity. One of our customers realized an increase in recruiter capacity by an average of 54%. AI streamlines processes, automatically recommends actions, and aligns tasks to SLAs, making recruiters faster and more effective.

Rediscovering talent. On average, 70% of job requisitions could be filled by candidates already in the applicant tracking software. AI surpasses traditional sourcing methods by accurately identifying top candidates, reducing time-to-hire, and increasing conversion rates.

Empowering hiring managers. AI has reduced the time managers spend reviewing candidates by an average of 35%. Streamlined processes lead to quicker hires and also improve satisfaction by minimizing back-and-forth between recruiters and managers, fostering more efficient collaboration.

Driving internal mobility. Personalized job recommendations, powered by AI and delivered to employees in the flow of work, help to promote a culture of growth. One customer saw a 2.3x increase in likelihood to move when provided with tailored recommendations, a 30% rise in internal application rates, and 1.4x better-quality candidates compared to external applicant pool.²

Through AI transformation, organizations can empower recruiters, enhance employee and candidate experiences, and foster a more engaged, agile workforce.

² Workday, “The New Age of Internal Mobility”; 2024.

Move your talent strategy forever forward with Workday.

Workday transforms how organizations manage their people and their money. It unifies HR and finance on one platform where AI and continuous innovation are built into the core, moving businesses forever forward.

Connected insights elevate HR and talent functions from transactional to strategic, allowing organizations of all sizes to drive workforce agility at scale. Not to mention that you get streamlined, intelligent workflows out of the box—simplifying processes, bringing work into existing workflows, and providing contextual guidance every step of the way.



Start driving agile talent strategies today.

Workday offers a comprehensive system that supports the entire employee lifecycle while emphasizing a skills-based people strategy. From recruitment to learning and leadership development, Workday captures and tracks an employee's skills from their first day and provides ongoing learning opportunities to support career advancement. With the dynamic skills foundation in Workday powered by machine learning and analytics, organizations can assess current capabilities and forecast future skills needs. The platform can continuously monitor employee sentiment, identify skills gaps, and flag retention risks, empowering leadership with critical insights. Workday integrates compensation with all other HR functions, ensuring performance rewards are aligned with a complete view of each employee's contribution.

As an organization adapts to change, accurate and real-time data becomes key for driving business performance. From understanding what workers care most about to using people analytics to identify challenges, Workday provides streamlined data so you can craft the most effective talent management strategy. [Learn more about managing your talent with Workday.](#)

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