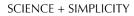
# Talent Philosophy Meets Technology for High Performance at Workday





# INTRODUCTION

You might assume that a company renowned for its HR solutions would have all the answers when it comes to managing talent. But Workday's journey reveals an important truth: even the most sophisticated technology must be matched with a human-centric and holistic Talent Philosophy.

This case study explores how Workday, in partnership with the Talent Strategy Group, created a powerful framework that aligned its people, processes, and technology to achieve extraordinary results. By skillfully combining a new Talent Philosophy with its own platform, Workday is bringing out the best in its people and ushering in a new era of high performance for the company.

Through the Talent Strategy Group's collaboration with Workday, I've had an up-close view of the company's evolution. After experiencing rapid growth over the past decade, Workday executives recognized they needed to rethink their approach to talent to reach new levels of success. I witnessed their deliberations as they evaluated the changing business context, wrestled with critical decisions, and ultimately, walked away deeply aligned around the path forward. As those leaders translated their decisions into a talent strategy and talent practices, they understood that success hinged on both human buy-in and application of the Workday platform.

In my work with business leaders across sectors, I have seen organizations create great processes– configuring Workday or other HR technology for goal setting or performance management, for example. But without a clear view of the "why" behind the process, adoption is low, implementation is uneven, and accountability is unclear. On the other hand, a solid Talent Philosophy that is not supported by aligned practices and the right technology is unlikely to yield impact and scale.

Workday's story illustrates why organizations need both a Talent Philosophy and great technology to implement an effective talent strategy – and how companies of different sizes, industries and maturities can make it happen.

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## WHY WORKDAY NEEDED TO CHANGE ITS TALENT PHILOSOPHY

In late 2022, Workday – a name synonymous with HR and finance technology solutions – found itself at a crossroads. Emerging from the pandemic, Workday was eager to further capitalize on new AI-driven growth opportunities and strengthen its position as a leader in the enterprise software space. With a clear business strategy articulated by the Executive Committee and ambitious objectives cascading down to individual teams, Workday appeared poised for continued success. After all, this was the company that helped countless organizations optimize their talent – from performance management to workforce planning. But in order to take the next leap, there were Talent Management issues that required attention.

Workday had undergone a dramatic transformation. Rapid expansion, a surge in acquisitions, and the shift to a hybrid environment had reshaped the company. Nearly half of all employees had been hired after January 2020, so a significant portion of the workforce was less familiar with Workday's established culture and practices. This influx of new talent, coupled with a decrease of in-person interaction during the pandemic, created a need to ensure alignment between the company's existing talent practices and the evolving needs of its people.

While Workday's workforce was relatively healthy compared to industry benchmarks, there

were warnings in its performance and people data: goal setting throughout the company was inconsistent, high performers weren't being proportionately recognized for their standout performance, and employee feedback found that Workmates craved more clarity around career progression and development opportunities. In fact, employees who left Workday were three times more likely to be dissatisfied with their career growth compared to their peers.

Even Workday's own platform, with its powerful tools for goal setting, feedback, and recognition, was being underutilized. "We always invested in our people and culture as seriously as in our platform and customers. The question was, how do we do that at scale, and in an emerging AI-driven, skills-based organization?" - Chris Ernst, Chief Learning Officer, Workday

It was an inflection moment for the company: their intentionally flexible, decentralized approach to Talent Management, once a source of strength, was no longer serving them effectively. With ambitious growth targets and a majority of their operating expenses dedicated to people, Workday's leadership knew it was time for a change.

"The business was moving quickly, and our workforce had changed. We understood that the talent strategy that served us for 10 years wasn't going to work for the next 10," said Chris Ernst, Chief Learning Officer, Workday. "We always invested in our people and culture as seriously as in our platform and customers. The question was, how do we do that at scale, and in an emerging AI-driven, skills-based organization?"

The answer? An aligned, org-wide Talent Philosophy to ensure that the why, what, and how of talent would drive the business strategy and move its people, partners, and platform forever forward.

# HOW TO ALIGN TALENT & TECH TO DRIVE BUSINESS GOALS

Every organization has its own unique perspective on talent, shaped by the beliefs and assumptions of its leaders. But too often, these underlying beliefs remain unspoken, leading to inconsistencies in how talent is managed.

Imagine the power of a clear, unified Talent Philosophy – guiding principles that shape every talent decision. When organizations define this philosophy and align their people practices and HR technology accordingly, they unlock incredible momentum towards their strategic goals.

### What is a Talent Philosophy?

A Talent Philosophy is the foundation for every talent practice in an organization. It is an agreement on the best way for a company to grow and manage talent to achieve its business strategy. It provides guidance to hire, develop, recognize, reward, and engage talent.

A strong Talent Philosophy clearly articulates the leadership's perspective on five factors:

- **Performance**: How do we define and measure success? What are the expectations for high performers, and what are the consequences of underperformance?
- **Behaviors**: What values and actions are essential to our culture? How do we reinforce these behaviors, and at what point do they become critical factors in talent decisions?
- **Differentiation**: How do we recognize and reward exceptional contributions? How do we allocate resources and rewards based on performance and potential?
- **Transparency**: What information do we share with employees, and how open are we about performance and career progression?
- **Accountability**: What are the roles and responsibilities of managers and employees in driving performance and development?

Employee development, learning, and growth are pulled throughout the five factors. Decisions made about each factor set expectations for the organization, managers, and individuals in supporting development.

### Why is a Talent Philosophy Important?

A Talent Philosophy is the bridge that connects your company's values and business strategy to how you attract, develop, retain, and maximize the performance of talent.

With a clear Talent Philosophy in place, you can:

• **Make Smarter Decisions:** No more guesswork or inconsistencies. A Talent Philosophy provides a framework for making informed, efficient decisions about how you invest in your people.

- **Empower Leaders:** When leaders believe in the Talent Philosophy, they become champions for change. They can confidently connect high-level principles to everyday talent decisions.
- **Build Trust and Transparency:** A shared understanding of expectations fosters trust and transparency between managers, employees, and HR. Everyone is on the same page, reducing conflict and uncertainty.
- Unlock Employee Potential: Employees thrive when they understand what's expected of them and how they can grow within the organization. A clear Talent Philosophy provides that clarity, allowing employees to focus their energy on innovation and achieving their best work.
- Attract the Right Talent: Your Talent Philosophy is a powerful magnet for attracting people who align with your values and culture. It ensures a better fit and sets the stage for long-term success.

### How do Talent Philosophy and HR Technology Intersect?

A Talent Philosophy is the compass guiding your talent strategy, and HR technology is the engine that propels it forward. Together, they create a powerful talent ecosystem. A strong Talent Philosophy sets the direction, and HR technology helps you implement it consistently and at scale. For example, Workday AI can accelerate manual tasks, assist employees, share information and insights for in-the-moment access, and educate and communicate *why, what,* and *how.* 

On the other hand, even the best HR technology cannot replace human decisions about talent. Without a Talent Philosophy, organizations struggle to realize the full potential of their technology. The many decisions that go into tech implementation become overwhelming. Rollout is too complicated and buy-in, much less impact, falls short of expectations.

"When we hear from companies that are looking to maximize Workday and build a clear rollout plan, they also need to build a talent foundation to support it," said Ashley Goldsmith, Chief People Officer, Workday. "Behind any great tech strategy or talent strategy there needs to be a clear Talent Philosophy, and – in full transparency – we had to learn that lesson, too."

### What Did Workday Do?

For Workday, a talent reset was, at its core, about building shared ownership for success throughout the enterprise. The goal was to identify **consistent**, equitable, and scalable talent

"Behind any great tech strategy or talent strategy there needs to be a clear Talent Philosophy, and – in full transparency – we had to learn that lesson, too." -Ashley Goldsmith, Chief People Officer, Workday **practices** that would both drive high performance and enable employees to learn new skills and advance their careers.

Rather than approach their talent practices piecemeal, Workday's Executive Committee decided to take a fresh and holistic look. They partnered with the Talent Strategy Group to help guide an intensive Talent Philosophy process.

An online survey (created by The Talent Strategy Group) was completed by the 12-person Executive Committee, 26 senior functional leaders, and 5 HR leaders. A cross section of this group – including every person on the Executive Committee – also participated in a 1:1 interview to clarify their responses and add depth to their perspectives.

Together, Workday executives reviewed the data and interview themes. They discussed ways to differentiate performance and rewards, including what would change for high-performing employees, average performers, and poor performers. They talked about compensation and career growth, values and culture. They spoke candidly and debated questions like:

- What about our current approach to talent is getting in the way of our business goals?
- How is our "performance bar" changing as Workday scales?
- Can you be a culture carrier if you aren't delivering high performance?

"With survey and interview data, we could see that leadership had distinct and different views on the current state of Talent Management across the company – yet were highly aligned on the future state," said Sheri Rhodes, Chief Customer Officer, Workday. "These conversations were much needed."

Workday leadership came out of the process completely aligned, with a clear direction on the talent dimensions. This clarity included calling out development as a distinct dimension, given that career growth was identified as an opportunity to improve the employee experience and drive high performance.

The Talent Philosophy decisions culminated in a renewed commitment by leaders to all employees: We are driven by values, invested in Workmates, and powered by performance. (See Figure 1 for Workday's Talent Philosophy at-a-glance.)

With the Talent Philosophy established, the next challenge was to redesign specific talent practices that could be implemented consistently, equitably, and at scale.

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Dimension	Challenge	New Talent Philosophy
Performance	High performance was in Workday's DNA. But manager flexibility for driving performance created confusion around what success looks like and how to get there.	Individuals set increasingly ambitious goals supported by systemized coach- ing and feedback.
Behaviors	Core Values are revered in the Work- day culture. But people had different interpretations of those values, and the ambiguity made it challenging to en- sure consistent accountability across the organization.	With greater clarity around what our values look like 'in action,' Workmates demonstrate values consistently; how we work is just as important as what results are achieved.
Differentiation	High performers were inconsistently recognized and rewarded, resulting in perceived equity and engagement challenges.	The company has consistent standards and guidelines to drive desired differ- entiation; we make people investments and rewards aligned to Performance and Potential.
Transparency	The inputs to talent practices often ap- peared disconnected from the outputs. Workmates wanted to know how they were doing and what it would take for them to advance in their careers at Workday.	Workmates are educated on talent practices and outcomes; they know where they stand through regular feed- back and honest conversations with their manager.
Accountability	The why, what, and how of talent was held too closely. Many people manag- ers were unaware of or inconsistently following recommended practices.	There is clarity and accountability for People Leaders and what is expected of them, tied directly to the talent prac- tices.
Development	Learning and development were encouraged but Workmates did not have clarity on the skills or experiences needed for career growth at Workday.	The company prioritizes talent invest- ments and development tactics for key employee segments and increases our risk tolerance for stretch assignments.

### Figure 1 - Workday's Talent Philosophy At-A-Glance

# **HOW TO IMPLEMENT A TALENT PHILOSOPHY**

Translating a Talent Philosophy into tangible practices is a delicate balance of art and science. It requires not only careful design but also the unwavering commitment of senior leadership.

At Workday, this responsibility fell to the People and Purpose (HR) function, but the entire Executive Committee played a crucial role in shaping (and signing off on) the experience for managers and employees. They carefully considered each change, ensuring alignment with the company's values and commitment to its people.

"We knew we had to get this right," emphasized Goldsmith, reflecting on the process. "Our priority was to enhance our employee-first culture and foster innovation, not stifle it." Here's how they did it.

### Keeping values front and center

Workday's core values, which have always been the company's north star and foundational to its success, were embedded throughout the new Talent Philosophy. However, Workday leaders recognized that how they live out those values must evolve to meet the demands of a changing world.

Again, leadership rolled up their sleeves. Each member of the Executive Committee reviewed the current version of Workday's Values in Action, an iconic guidebook given to every Workmate when they join the company. Individually, they marked up the guidebook with comments, crossing out words and adding new words aligned to the new Talent Philosophy and business strategy. During an offsite, they reviewed the edits, debated the sticking points, and agreed on changes.

As a result, the new "Values in Action" guide expressed the behaviors critical to individual and collective success in the current era. Every Workmate received access to the new guidebook and the opportunity to join discussions about behaviors aligned to the Talent Philosophy, such as having a growth mindset, acting with speed, and having candid conversations.

Honest feedback, once potentially perceived as criticism, was now embraced as a crucial investment in each individual's growth and career. This cultural shift helped to foster a new workplace dynamic where respectful candor fuels both individual and collective success, demonstrating that a company's ability to evolve its values is essential for continued growth.

### Building trust through transparency

Workday bet strongly on transparency – a key ingredient for establishing trust.

By openly sharing its new performance and potential framework with all Workmates, the company empowered employees to understand the metrics for success. No more ambiguity or confusion: annual calibration and talent discussions were now transparent, with each employee receiving clear insights into their rating and development areas.

This commitment to transparency extended far beyond performance reviews. Workday boosted the visibility of employee goals and progress, openly shared career paths and skill-building opportunities, communicated succession plans more broadly, and even revealed pay information on all job profiles and requisitions in the U.S. and Canada.

Prioritizing transparency accomplished two critical things. First, it reinforced Workday's commitment to VIBE (Value Inclusion, Belonging, and Equity), putting action behind the goal of consistent, equitable talent practices. Second, it nurtured a culture of trust and psychological safety. Research shows that when employees feel safe to speak up, take risks, and be themselves, they are more engaged, innovative, and ultimately, successful.

"We knew we had to get this right. Our priority was to enhance our employee-first culture and foster innovation, not stifle it." -Ashley Goldsmith, Chief People Officer, Workday

### Driving accountability through clarity

Workday placed the onus of implementing these new performance management practices squarely on its leaders across the business. People managers were equipped and empowered to drive goal setting, conduct meaningful career check-ins with each team member, and ensure team-wide compliance.

But accountability wasn't just an expectation; it was built into the very fabric of the Workday platform. Automated, guided processes for documenting those crucial check-ins, coupled with notifications to senior leaders about key metrics (like the frequency of one-on-ones and goal setting completion rates), ensured that everyone stayed on track.

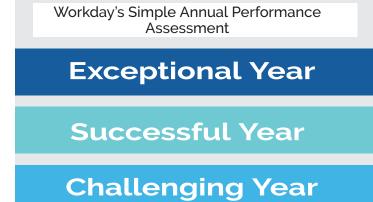
Success was measured not just by adoption rates, but by a tangible impact on employee sentiment around career growth and opportunity. This was a key driver behind the entire initiative, making it the ultimate measure of accountability.

### Keeping it simple

For change to take hold, Workday managers and employees needed easy, intuitive ways to talk about performance, identify growth areas, and review expectations throughout the year.

In designing new practices, the talent team scrubbed jargon from their training and tools, using simple and plain English to keep things clear. For example, annual performance is assessed as a *challenging* year, a *successful* year, or an *exceptional* year. The terms are both intuitive and focused on the work rather than an overly complex review of the individual that could be construed as labeling a person or judging them.

To streamline and ensure consistency across these processes, Workday created the People Leader Hub for managers to complement the People Leader Dashboard. Through the Hub, managers can access guides, tips, and training; keep up with upcoming actions via a timely news feed; and interface with all Workday tools needed to implement talent practices. The Dashboard shows a set of metrics to know



quickly how their team performed on various measures such as hiring, compensation, talent assessments, and career growth.

In addition, all Workmates were offered training on topics like giving and receiving feedback and how to set goals in Workday, as well as just-in-time information and learning, rolling out elements in sync with the talent cycle – rather than a one-and-done launch.

### **Rewarding standout performers**

With greater clarity of what high performance looks like, Workday was able to change how it recognized and rewarded top talent. New bonus and equity models were established for standout performance – and clearly communicated.

Before the Talent Philosophy was launched, 96% of Workmates received equity as part of their compensation. Not only was participation above market for the industry, but awards were also spread out; commonly referred to as peanut-buttering. While most people received something, few people saw the correlation between equity awards and performance.

Moving forward with the Talent Philosophy, Workday sharpened its approach to calibration: tying stock awards clearly to performance and potential rating and reducing overall participation. For example, Workmates with the highest rating were rewarded with an average of 167% of target allocated two years in, up from 139%. On the low-performance and potential side, this went from 79% target allocated to none. During this period, equity award participation across the enterprise fell from 96% to 83%.

Development programs and career growth were also closely linked to performance and potential assessments. Managers were equipped to identify and support growth opportunities to help

strong performers get to the next level, including skill building, experiences, or nomination to Workday leadership or functional programs.

Together, manager and employee align on a development plan, which may include, for example, assigning a mentor, creating opportunities for exposure and visibility to leadership and internal networks, or building in rotations, stretch assignments, or expanded scope.

# Prioritizing high-impact practices

Implementing a Talent Philosophy requires taking a hard look at all the talent practices that get built into an organization. What should start, stop, or continue? What needs to change in "These three talent practices are interconnected, and we used Workday's technology to bring them to life for our Workmates and business leaders. The idea was to make expectations clear and the process easy." -Roxanne Henselman, VP, Talent Management & Development, Workday

substance or in process? And how is HR technology helping or hindering progress? For maximum impact, Workday focused on 3 elements of performance management: Goal Setting, Check-Ins, and Calibration. These key practices would be the way most employees would experience the Talent Philosophy and how the organization would make progress quickly on its talent challenges.

"These three talent practices are interconnected, and we used Workday's technology to bring them to life for our Workmates and business leaders," said Roxanne Henselman, VP, Talent Management & Development. "The idea was to make expectations clear and the process easy."



### **Goal Setting**

Goals define how Workmates prioritize work and align with team and organizational priorities. Previously, goals were set, but not housed in one place or tracked consistently. Teams with overlapping goals struggled to coordinate. With the new Talent Philosophy, goal setting became more consistent. Accountability was driven through high expectations and clear goals tied to the company's overall strategy.

Now employees collaborate with their manager to set goals that clarify:

- What am I expected to deliver?
- Why is this goal important?
- How will I achieve my goal?

Workmates use the **WORKDAY CONTRIBUTION GOALS** function to document, edit, and update goals. People leaders also see their team members' goals, can edit and update, and use data to track progress. Using the platform, employees and their managers both have visibility into progress, prompting shared responsibility for alignment and accountability.

### **Check-Ins**

Routine feedback is key to high performance – and people managers and Workmates are now held accountable for holding frequent Check-Ins.

Previously, Workday encouraged conversations twice a year for Workmates and their managers

to address contributions, capability, career, connections, and compensation (5Cs). Over time, with rapid workforce growth and a remote workforce, these conversations were held less frequently and tended to focus broadly on career and less on feedback on how employees were performing toward goals.

Now, managers and employees address those 5Cs through Check-ins. The process of looking back and looking ahead has been streamlined and automated. Prompted by Workday alerts and nudge communications, Workmates review and update their goals, development items, and career profile in Workday.

With the **WORKDAY PERFORMANCE REVIEW**, a simple form is sent to employees' Workday inbox, where they capture their accomplishments and reflect on progress toward goals and development items. The form then routes to their manager for review and response – completed with just four questions, one screen, and one click. Using Workday, employees and managers are easily guided toward meaningful 1:1 conversation about performance, development, next quarter goals, and career interests and aspirations.

Prior to a Check-in (and anytime during the year), the employee or manager can reach out for feedback, give feedback, or seek feedback using the **WORKDAY FEEDBACK** tool. Plus, using **ANYTIME FEEDBACK BADGES**, colleagues can reinforce and celebrate Workday's values all year long. They may also utilize **CAREER HUB** and explore **WORKDAY LEARNING** to plan development actions.

Collectively, these efforts provide direct, transparent feedback and encourage conversation and coaching on goals, development, and behaviors.

#### Calibration

Calibration is a way to understand talent in relation to peers and the business context. As Workday grew, an enterprise approach was needed to provide the consistency, efficiency, and performance both business leaders and employees were seeking.

Workday moved to a rating system to assess performance and potential – and to create a transparent, equitable system for guiding feedback and differentiating rewards and opportunities.

Once a year, people managers assess each direct report on performance and potential, plot team members on a 9-box talent grid, and then take action. The manager rates each employee on Performance: did they have a challenging year, a successful year, or an exceptional year? Then, guided by a series of prompts to reflect on the employee's ability, aspiration, and alignment with Work-day's direction, the manager rates each employee on Potential: enable in role, grow, or accelerate.

Guidance is provided to managers to help them identify concrete actions to support their employee and help them succeed in their current role, grow into their next career opportunity, or focus on intentional development to accelerate their growth. Managers communicate to each direct report where they stand, and related decisions regarding compensation, career opportunities, and development.

Talent calibration feeds directly into WORKDAY REPORTING & ANALYTICS, COMPENSA-TION PLANNING, and SUCCESSION tools.

## WORKDAY TODAY: IMPACT OF TALENT PHILOSOPHY

Workday's transformation is ongoing, and the full impact of the new Talent Philosophy, practices, and technology won't be felt for some time. However, as of Q4 2024, there are clear signs of success.

"As any CHRO will tell you, one sign of a successful talent change is when you don't hear anything about it," said Goldsmith. "This was one of the biggest talent transformations I've been a part of during my 11 years at Workday; not only did it cause minimal disruption throughout the company, within a short period of time, we started seeing tangible benefits." Following are some of the key success metrics:

- Dramatically improved goal setting from 12% (Jan 2023) of employees regularly setting contribution goals to 87% completing them within Workday
- Improved manager-worker connection from 74% holding regular check-ins to 94%
- Full adoption by Executive Committee members of calibration distribution guidelines (100%)
- Improved perceptions of individual career growth with ~35% decrease in the number of employees who stated they were dissatisfied with their growth and career path
- Improved pay transparency with 100% of pay ranges listed on all job profiles for U.S. and Canadian employees
- High engagement in the top 10% of tech companies on engagement (according to benchmarking from Workday Peakon Employee Voice)

87%

of Workmates with 2024 contribution goals

94% of Workmates that have regular check-

ins

35%

decrease in Workmates dissatisfied with their growth and career path

100%

adoption by the Executive Committee of performance distribution guidelines 90%+

Top 10% of tech companies on engagement 100%

of pay ranges listed on job profiles in the United States and Canada Workday is also seeing signs of improved management of both lower performers and top talent, and steady confidence of Workmates in goal setting, alignment, and performance feedback. Across the business, the simple and transparent process for assessing performance and potential is supporting people managers to give candid feedback, engage in needed career conversations, and apply an objective, equitable approach to performance management.

Anecdotally, the talent practices are seen as efficient and effective by managers and employees across the business:

Figure 2 - Workmate Feedback on the Impact of the Talent Philosophy

"I see Check-Ins as an investment in yourself, your relationship with your people leader, and your overall career."

"Innately, people want to understand how they're measured, how they're doing, and what their leader's perspective of their performance is. This new approach meets those needs."

"The new cycle of goal setting, check-ins, and calibration has been powerful for driving accountability for both high performers and for folks who are trending downward."

"I feel a difference in the workforce. People will happily come up to you and give you feedback – good or bad – at every level."

"These conversations force me to step back and think critically about my career. That in itself has been a huge benefit for me."

While talent practices are just one factor in a company's success, it is not lost on Workday leaders that their new approach supports the company's momentum.

"Workmates and people leaders now have clarity about what is expected, they know how to take action, and importantly they understand why our talent practices matter." said CEO, Carl Eschenbach. "Speed is everything in the technology industry – and when Workmates are aligned with their People Leader, it helps accelerate our Workmates' development and our business."

"Workmates and people leaders now have clarity about what is expected, they know how to take action, and importantly they understand why our talent practices matter. Speed is everything in the technology industry – and when Workmates are aligned with their People Leader, it helps accelerate our Workmates' development and our business." Carl Eschenbach, CEO, Workday

## KEY TAKEAWAYS: INSIGHTS FOR OPTIMIZING TALENT AND TECH

Workday's Talent Philosophy has taken hold across the organization due to a human-centric approach and the application of the Workday platform. The company has found the path forward for its people and for high performance.

Workday's story offers insight into how other organizations, with different business strategies, workforces, and cultures, can optimize their talent practices and technologies.

### Build the foundation with hands-on executive leadership

The business drives what performance looks like in any organization. And the executive team leading the business will make or break your talent transformation.

The beauty of building a Talent Philosophy with executives and senior leaders is the commitment it creates. They set the course for action based on their values and the future they want for their business. They get clear how talent decisions they make (or don't make) impact the business. And they provide the backstop or gut check as new talent practices are designed, proposed, and implemented.

Genuine commitment from leadership also smooths collaboration and participation across levels and functions – essential for implementing any org-wide talent practice or rolling out new HR technology.

### Communicate openly – even the uncomfortable parts

Be transparent, provide maximum context for why and how you're evolving, and use clear and simple language to bring your entire enterprise along in the journey.

Some cherished, long-established, "the way we do things around here" practices will no longer serve. The way those changes are communicated make the difference between success and rejection of the talent transformation.

For Workday, the move to a transparent, ratings-based performance management approach was the big one. "There are different perspectives when it comes to ratings, what they mean, and how they work," said Goldsmith. "Initially, it was a bit uncomfortable for us. But we approached it thoughtfully – true to our values, embracing transparency, ensuring consistency, and equipping leaders – and it had a powerful impact."

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### Build around people leaders

People leaders are critical to the adoption and outcomes of your Talent Philosophy. The human connection and relationship between a manager and employee will support – or undermine – the implementation of any new talent cycle, practice, or technology.

People leaders need to know what is expected of them and why it matters. And you need to make it easy for them to put it into practice.

- Update training, including new people leader onboarding, to include the Talent Philosophy, and provide clear, accessible guides for their role in managing talent.
- Create practical information and learning on the annual talent cycle, delivered just-intime for planning and action, rather than an all-at-once launch.
- Make it easy for both employees and managers to talk about performance through simple and straightforward language.
- Create mechanisms to weave performance conversations into the "flow of work"; this helps to ensure these conversations aren't in addition to or outside of the work that's being done.
- Support manager accountability through automation and real-time data.

### Toggle between talent practices and technology at every step

Implementing new talent practices and rolling out new technology platforms or features is not a linear, one-and-done process. It involves close collaboration and alignment from early-stage development and design to communication to effectively drive behavior change and bring the organization along while implementing ongoing improvements.

- **Bring in cross-functional teams early on.** The tech experts need to get behind the why the Talent Philosophy to create, modify, or activate the best tools. And the talent experts need to learn what's possible with the technology to move beyond their existing practices.
- **Prototype and test.** Try out different approaches and get input from employees and people leaders. Don't wait until launch to learn what they like, or what doesn't work well for them.
- Use data to understand behavior. Know the data your HR technology collects and leverage findings to improve your talent practices. Where in the organization are tools being adopted? How quickly do employees respond to or complete actions? What feedback are they giving about their experience? With knowledge of how people are using the system, you can make data-backed decisions to nudge behavior or adapt the practices to make them better or faster.
- **Build in ways to improve.** Ensure the tech and talent teams stay connected after the initial launch. Include iteration and maintenance of talent practices in tech team goals. Set up periodic reviews on each practice, or the talent cycle overall.

# A FOUNDATION FOR A SKILLS-BASED, AI-DRIVEN ORGANIZATION

Workday's vision began with the launch of their new Talent Philosophy, and its next chapter expands that vision to a skills-based, AI-powered future. The company believes that putting skills at the core of its talent practices will further drive performance and support employee career growth.

Here's how the Talent Philosophy paved the way:

- Foundation for Skills-Based Practices: The emphasis on high performance and employee growth within their Talent Philosophy perfectly aligns with their focus on embedding skills into all aspects of Talent Management, from hiring and performance reviews to learning and development.
- **Culture of Learning and Growth:** The commitment to employee growth inherent in their Talent Philosophy fosters a culture where skills development is valued and encouraged. This mindset is essential for employees to embrace continuous learning and adapt to the evolving skills landscape.
- **AI-powered Talent Management:** With a solid foundation in place, Workday can leverage AI to "supercharge" its talent practices. Their Talent Philosophy ensures that AI is used ethically and effectively to enhance skills-based initiatives, such as personalized learning recommendations and talent mobility.

Workday's story demonstrates that a well-defined Talent Philosophy provides the necessary framework for aligning talent practices with business objectives, fostering a culture of learning, and leveraging technology to optimize skills-based initiatives. This ultimately leads to improved performance, employee growth, and a more agile and adaptable organization.

"We're an AI company and a people company," said Ernst. "Through our Talent Philosophy and our technology, we are learning and innovating. Together, with our partners and customers, we are creating the way forward for workers and companies around the world."

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-Chris Ernst, Chief Learning Officer, Workday

# ABOUT

## The Talent Strategy Group

The Talent Strategy Group helps the world's premier companies, governments, foundations and non-governmental agencies transform human resources and their ability to grow talent. Our advisory services include HR strategy, organization design, HR leader assessment and HR process design, among others. Our education and development services are based at our Talent Management Institute, which is the world's most popular executive education program on talent. We teach executives and HR leaders how to build better talent faster through our public and private programs.

We advise across sectors and geographies. We have deep consulting experience in consumer products, big food, technology, pharmaceutical and bio-pharmaceutical companies, medical devices, financial services and health care. We partner with private equity firms to assess and develop talent for C-suite roles.

# Workday

The Workday platform is built with AI at the core to help customers elevate people, supercharge work, and move their business forever forward. Workday is used by more than 10,500 organizations around the world and across industries – from medium-sized businesses to more than 60% of the Fortune 500. Workday's Talent Philosophy is the framework that drives major talent decisions for their more than 20,000 Workmates and 3,500 People Leaders in more than 30 countries.