

INTERACTIVE SESSION: MANAGEMENT

Steelcase Designs Goes for Global Talent Management

You may not have heard of Steelcase Designs, but if you work in a modern office, you may very well have used one of its chairs or interactive whiteboards. Steelcase produces office furniture and architectural and technology products for office environments and the education and healthcare industries and is the largest office furniture manufacturer in the world. It has facilities, offices, and factories in the Americas, Asia, the Middle East, and Australia with 10,000 employees and more than 800 dealers. Steelcase's fiscal 2015 revenue was \$3.1 billion.

The company started in 1912 as the Metal Office Furniture Company in Grand Rapids, Michigan, and is noted for its innovations. Steelcase's first patent in 1914 was for a strong, low-cost fireproof steel wastebasket, considered a major breakthrough at a time when many people smoked at work.

Steelcase is also noted for its close attention to people issues. If you go to the Steelcase website, you'll see articles about employee engagement, productivity, technology-empowered learning, and how Steelcase products help people work more comfortably, unlock creative potential, and support social, economic, and environmental sustainability.

Steelcase tries to similarly nurture its own employees, realizing that the company's continuing innovation and success depend on their skills and insights. Employees are its greatest asset. Until a few years ago, management felt this asset was underutilized, especially on the global level. Management questioned whether the company's information systems were supporting company goals of promoting innovation, global integration, and attracting and retaining world-class employees in all of the company's locations around the globe.

Like other organizations expanding globally, Steelcase needed to manage its global workforce and talent pool as well as its relationships with customers and suppliers worldwide. Management needed to understand the needs of the company's skilled global workforce and align business processes with local customs and practices. In addition to maintaining accurate job information on a worker, Steelcase wanted to keep track of future career opportunities and ensure proper planning from a worker engagement and budgetary perspective.

When the company evaluated its systems in 2014, it found that it needed more capabilities for talent management. Talent management involves

planning to align the firm's human resources with its business strategy so that the firm has the quantity and quality of employees with the skills it needs to improve business performance and reach its goals. Human resources talent management includes capabilities for recruiting, developing, retaining, and rewarding employees as well as strategic workforce planning.

Steelcase had been using SAP's ERP HCM (Human Capital Management) software, but it was too out of date and required workarounds for the talent management functionality that it needed. The old system was not able to define jobs in enough detail to address the level of workforce planning and development management desired.

Fortunately, Steelcase did not have to discard its SAP system entirely. SAP's HCM version 6.0 featured new talent management functionality that would meet its needs, such as being able to define jobs by job family, task functionality, and the functional area of the business to create a variety of ways to combine work. The new system's ability to organize data by career level, type, and talent group helps the Steelcase HR team create better services, such as career planning for employees. Employees can match their current skill sets against any job in the company and know what competencies will be required and how their current performance evaluations compare with what will be required in future roles they are interested in.

To take advantage of new talent management capabilities to support global operations, Steelcase needed much more standardization than in the past. Simply searching for a name or term is very different depending on the country or the region in terms of how the name is entered in the system. Steelcase faced a challenge in trying to standardize what that looks like and how it is used globally as well as understanding the definitions of common ways to identify the workforce. For example, terms like *salary* and *hourly*, which are used for classifying and determining pay for employees in the United States, don't exist on a global scale. Other countries define their workforce differently. For reporting or analytics, Steelcase needed to define, collect, and use data in a way that is uniform across the globe.

The SAP ERP HCM software enables Steelcase to create an enterprise-wide talent profile, which

maintains data for each employee on external job experience as well as their work within Steelcase; showcases their achievements from one job to the next; and notes aspirations and future career goals. Managers can use the system to review assessments, qualification skill sets, and training demands. Steelcase's HR team can now assign the company's high-potential talent to a specific talent group and create a learning and development curriculum for them. Without these capabilities, Steelcase had difficulty showcasing the skills of its workforce.

Steelcase recently contracted with SuccessFactors, an SAP company, to implement SAP SuccessFactors Performance & Goals and take succession planning to the cloud. (Succession planning is the process of identifying and developing employees with the potential to fill key business leadership positions in the company.) Steelcase will be using this capability to complete organizational talent reviews of its workforce and issue employee ratings based on overall performance and leadership potential as a way of identifying high-potential talent. These assessments are more strategically oriented than a typical annual employee performance review and can determine potential risk and bench strength (the competence of employees ready to fill vacant leadership and other positions). When staffing positions worldwide, Steelcase can identify roles and career paths to match its high-potential talent and segment them for promotion.

For the future, Steelcase is looking more toward the cloud and most likely will adopt a hybrid cloud model. According to Lucinda Pick, Steelcase's Global Workforce Strategy Consultant, the company wants to bring the results from the SAP SuccessFactors talent review back to the on-premises core system to analyze core demographic data and use some of the on-premises capabilities for talent management. That way, when HR is analyzing talent review data on performance and future leadership potential, it can see how many high-potential employees the company has according to region, gender, or age group. All those data reside in the core SAP system. Another plan is to integrate talent profiles with learning management to support Steelcase's goal of fostering a learning culture.

According to Pick, for talent management to be effective, Steelcase needs to be able to match the employee with the right skills to a complete set of job requirements. With the new SAP ERP HCM and SuccessFactors systems, the company can now do that. Competition for talent is great. The more Steelcase can automate its business processes and the more it understands its workforce market, the more it can make sound and timely decisions.

Sources: www.steelcase.com, accessed January 3, 2016; www.sap.com, accessed January 4, 2016; and Natalie Miller, "Steelcase Designs Form-Fitting Talent Management," SAP Insider Profiles, October 17, 2015.

CASE STUDY QUESTIONS

1. Why are human resources and talent management so important at Steelcase?
2. Identify the problem described in this case. What management, organization and technology factors contributed to this problem? What role did globalization play?
3. Describe the capabilities of the SAP ERP HCM and SuccessFactors systems that were helpful to Steelcase. How did these systems improve global operations and decision making?