



THE SUMTOTAL ORGANIZATIONAL MATURITY INDEX

Maximizing Success in a Changing World

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WHITE PAPER

EXECUTIVE SUMMARY

At the heart of the Organizational Maturity Index tool is the unique data SumTotal collects in collaboration with HR teams at more than 6,700 organizations that employ 45 million employees in 160 countries and operate across a diverse industry spectrum. SumTotal has identified nine indicators of organizational maturity and five predictable stages of growth for investing in your workforce.

COVID-19 has highlighted the need to stay nimble in this space. Recent data from the [Fosway Group](#) shows that organizational maturity for learning, talent, and workforce management is no longer a nice-to-have for 2022 and beyond:

- Organizations with immature digital learning adoption are three times more likely to have found coping with the pandemic difficult, compared to those with a mature approach to digital learning.
- 81% of HR professionals say where, when, and how people work in their organization has changed permanently in the wake of the pandemic.
- After the pandemic disrupted the status quo, HR and training professionals are prioritizing tech that supports intelligence and analytics, learning and people development, onboarding, and employee engagement.

In short, shared priorities and alignment to business goals between learning, talent, and workforce management increase your ability to achieve strategic results while remaining flexible.

The SumTotal Organizational Maturity Index is your diagnostic tool: Get practical insight into your current stage of learning, talent, and workforce management. From there, you can learn how to improve and accelerate digital transformation in each area.

As HR professionals are buried under benefits issues, employee relations in a work-from-home environment, and return-to-work strategies, this alignment is more critical than ever.

Digital maturity is not "just a people ops thing." It's about increasing growth for the entire organization post-pandemic.

The SumTotal Organizational Maturity Index is based on data from more than **6,700 organizations** that employ **45 million employees** in **160 countries**.

INTRODUCTION: HOW ACHIEVING ORGANIZATIONAL MATURITY DRIVES BUSINESS SUCCESS

Rapid change in the workforce (either caused or accelerated by the pandemic) is forcing HR teams and entire organizations to respond to employee needs in new ways.

It's a talent market, and employees are looking for organizations that are flexible, offer learning opportunities, and seek to give their teams a meaningful career path. In response, HR must focus on adaptability, agility, and resilience — especially with regard to the changes accelerated by COVID-19.

The war for talent used to be almost single-mindedly focused on the external — organizations fighting over a finite pool of external talent — but now, organizations are shifting their focus toward maximizing the potential of their existing talent. The name of the game is retention and engagement, and the “cheat code” is optimization.

Successful organizations are upskilling and reskilling their workforce while more strategically managing long-term career development as well as the day-to-day experience of work.

Nurturing talent through learning, development, and workforce management has now become a critical area for organizations to address and mature so that they can attract and retain employees — and maximize employee engagement along the way.

By pinpointing your organizational maturity, you can make informed decisions, get buy-in from your leadership team around why innovation is critical, and engineer higher levels of workforce productivity.

CHECKLIST

HOW TO UPSKILL AND RESKILL YOUR WORKFORCE

[*Get Started*](#)

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In response to both the new work-from-home reality and shifting employee needs, HR must evolve to apply new paradigms toward talent attraction, retention, and engagement. With the right tools and processes, HR pros can:

- Mine for unrealized capabilities
- Build rapid development tactics
- Implement highly effective engagement strategies
- Create career pathways with the innovation employees are seeking

Learning is more than setting up a catalogue within a learning management system (LMS), developing talent is more than ensuring annual performance reviews take place, and managing the workforce is more than a series of time allocation activities.

To create an environment where employees can thrive, these functions must work together in concert.

Making impactful progress requires careful orchestration across an organization's culture, people, and resources. The SumTotal Organizational Maturity Index offers a practical methodology for aligning learning, talent, and workforce management with a blueprint to help the entire HR function pivot in the right direction.

THE FIVE STAGES OF ORGANIZATIONAL MATURITY

For every organization, adopting a mature learning, talent, and workforce management strategy is a journey, not a one-off change. With more than 30 years in the field, SumTotal has identified five stages of organizational maturity:

STAGE 1: SILOED.

Disparate learning, talent, and workforce functions.

Culture is hierarchical and unengaging.

STAGE 2: TARGETED.

Initial coordination begins across learning, talent, and workforce functions.

Culture starts to shift to a focus on employee engagement.

STAGE 3: TRANSFORMING.

Learning, talent, and workforce functions merge.

Culture becomes more people-centric.

STAGE 4: CONTINUOUS.

HR is a core strategic decision-maker and an innovative rapid-responder.

Culture is engaging, agile, and puts people first.

STAGE 5: OPTIMIZED.

A self-developing ecosystem that is collaborative and transparent.

Culture has such a strong employee value proposition that the employer is highly sought-after.

THE 9 INDICATORS OF ORGANIZATIONAL MATURITY SUCCESS

Through research and decades of hands-on experience, SumTotal has identified nine indicators that affect an organization's ability to optimize workforce investments:

1. People-centric culture
2. HR's role and people strategy
3. Organizational alignment and curation strategy
4. Employee experience
5. Technology infrastructure
6. Elective participation
7. Governance
8. Funding
9. Reporting and measurement

1. PEOPLE-CENTRIC CULTURE

Your organizational culture plays a vital role in extracting the best from employees, attracting new hires, and retaining your talent in the face of the "Great Resignation." A healthy, people-centric culture correlates to employee engagement, satisfaction, and productivity. Every candidate can easily access information about how your employees view your culture, so it's a solid place to start.

Less mature organizations tend to view employees as a hierarchical scaffold of workers hired to perform static jobs. The culture is unengaged and lacks diversity. Learning, talent, and workforce management operate in isolation from each other, resulting in operational inefficiencies.

More mature organizations have highly supportive leaders focused on people's prosperity, and diversity becomes a strategic imperative. The employee experience is systematically evaluated, and continuous improvement efforts are focused on building the employment brand. These organizations continuously strive to improve internal and external operations by introducing technologies to help boost workforce efficiency.

2. HR'S ROLE AND PEOPLE STRATEGY

HR is no longer simply about compliance and people operations; HR pros are now strategic enablers. Today's HR department has to manage all elements of the employee lifecycle *and* take on workforce planning to identify the skills that will be needed by the organization in the next three, twelve, and twenty-four months. A defined HR strategy will guide the functional maturity of individual HR units around the world and give the HR department as a whole a better seat at the table.

Less mature organizations have HR departments that struggle to fully connect with the C-suite leadership and employees; they're left feeling like they're pushing boulders uphill to encourage investment and participation in HR programs. Many HR teams fundamentally lack a real understanding of the employees or departments they strive to support. Over the last 18 months, HR has become even more important to business continuity — maturity is about being able to capitalize on that shift.

More mature organizations thoroughly analyze the employee life cycle and address each member of their workforce as a unique individual. They appoint a chief people officer or a chief human resources officer to position the learning and talent functions as key contributors to organizational success. Progressive HR teams have a strong understanding of the organization's overarching business objectives, specific departmental needs, and their employees. They know precisely what problems they are trying to solve, and, as a result, their well-articulated strategy tends to be far more agile and successful.

3. ORGANIZATIONAL ALIGNMENT AND CURATION STRATEGY

High-growth companies are shifting from static “training programs” to innovative environments that fuel employees to develop themselves. In this scenario, be sure to identify and address business challenges across the organization; it's not about hiring and firing, it's about business growth based on consensus. Curating content (instead of cooking it all up within the HR department) can make HR efforts more relevant, current, and contextual.

Less mature organizations tend to view their workforces as a passive audience. For the more autocratic organizations, the burden for development lies squarely on HR to operationalize programs and tell employees when and where they should develop their skills. They are rigid with content, even when gaps exist. Career mobility is limited, and jobs do not morph frequently.

More mature organizations catalyze employees to take active roles in their development and equip them to steer themselves on their growth journeys. They have vibrant tapestries of content, aligned with various learner styles and needs. Employee roles are not perceived as fixed — positions can quickly adapt and models can morph with agility as dynamics change.

4. EMPLOYEE EXPERIENCE

Today's employees have high expectations for their companies, and it starts from the very beginning: Employees who feel that they received effective onboarding are **18 times more likely** to feel committed to their organization than employees who feel their onboarding process was less effective.

Now more than ever, employee experience is at the nexus point between people, process, and technology. Innovative organizations focus on experiences that are simple, effective, and enjoyable. A great employee experience enables a task to be performed successfully, offers flexibility for in-person and remote employees, and provides an overall compelling experience for the user.

Less mature organizations underappreciate the importance of ease of use within employee systems, so they concentrate instead on satisfying a checklist of features oriented around HR's needs. They also keep HR's talent, learning, and workforce management systems distinct from one another, creating a cumbersome employee experience.

More mature organizations place a tremendous focus on the experience within their systems, and they are vigilant about reducing any friction between different tools. The use of a robust employee profile is essential to driving personalization and relevance to the platform experience. Tools must work across any device, be so intuitive that minimal user educational effort is required to use them, and offer consumer-like experiences.

5. TECHNOLOGY INFRASTRUCTURE

Investments into new platforms and technology, once questioned, are now being fast-tracked. The hybrid workforce has demonstrated that your teams can be productive from anywhere — so you'll need both the tools to support your employees and the data to keep things running smoothly.

Less mature organizations often lack comprehensive staff profiles, relevant job descriptions, and other sources of workforce intelligence that can inform talent and business initiatives. These organizations frequently scramble to devise contemporary job profiles, and they typically have elementary levels of employee data scattered across legacy time and attendance, payroll, and human resource information systems.

More mature organizations maintain robust job descriptions, extensive employee profiles, and the tech stack to support a nimble hybrid workforce. They view their platforms as a way to maximize the return on human capital, so they exploit the advantage provided by big data algorithms, building out “smart systems” that become more intuitive over time. Clear pictures of workforce capacity, capability, and other correlations are accessible and frequently leveraged to maintain organizational agility — no matter where employees work from.

6. ELECTIVE PARTICIPATION

Participation is downstream from employee experience — if you provide a great employee experience, your talent will want to participate in your learning and development programs. Given the demands for development from talent, elective participation rates are soaring; you'll want to keep up. If your organization is not seeing a rising elective participation in development, it might be worth looking into why.

Less mature organizations have very low elective participation rates and rely on very self-motivated individuals to go beyond the obligatory asks. They also tend to employ traditional marketing techniques to spur elective participation, so uptake is directly influenced by the effectiveness of their “push” campaigns.

More mature organizations have HR experience evangelists who continue to grow capabilities and cultivate careers. There is more employee “pull” because HR programs and applications are contextual and readily accessible whenever needed. More mature organizations leverage engagement tactics fueled by big data to increase voluntary participation through the use of highly tailored recommendations to end-users.

7. GOVERNANCE

HR's ability to instill governance is a clear sign of its maturity level; in fact, governance has the biggest impact on the other eight indicators of success. Shortened business cycles are also emphasizing the need to get it right the *first* time. Governance will help streamline processes, reduce wasted efforts, and optimize your speed to innovation.

Less mature organizations have a highly centralized structure for talent, learning, and workforce management. Governance guardrails are absent where organizational efforts are not monitored, so there is little coordination between the efforts of HR and HR's interface with other functional groups across the enterprise.

More mature organizations realize that they must implement more controls to gain a stronger handle on decision-making, forward-looking plans, resources, and cost. At the middle stage of maturity, it is common for organizations to establish steering committees of functional stakeholders from across the business that eventually transition into formal governance structures.

8. FUNDING

On one hand, organizations must rein in rogue and redundant expenses to maximize their purchasing power — which means they must be able to identify those expenditures in the first place. On the other hand, business leaders have added to learning budgets through the pandemic as they focus on retention and employee development. Maturity in funding is about knowing what, where, and when to spend.

Less mature organizations focus on the constant reduction of expenses. There is no predefined talent investment, and spend levels tend to be underwater compared to industry benchmarks. Funding processes are not uniform, and HR is often subject to disproportionate reductions when economic times are tight.

More mature organizations view talent as a critical investment that directly influences the organization's strategic success. Therefore, the budget in human capital often exceeds industry benchmarks. Funding strategies for learning, talent, and workforce management initiatives align to tangible and intangible value.

9. REPORTING AND MEASUREMENT

Data-driven decisions are becoming more prevalent in every organizational function, and HR is no exception. Reporting and metrics are growing in importance as the basis for supporting both ongoing and brand-new learning, talent, and workforce investments — especially as HR leaders need a granular view of retention and turnover.

Less mature organizations tend to focus on garnering participation measures as a proxy for success. They use participation rates as the principal means of articulating value. Reporting efforts are often ad hoc and reactionary and do not incorporate business outcomes based on learning, talent, and workforce management data.

More mature organizations are proactive in using a vast array of data sources — not just traditional HR streams — to make evidence-based decisions. Business impact becomes a key performance indicator of success, along with productivity metrics. Organizations operate under a defined measurement philosophy that continually assesses HR functions; core measures like turnover, reduced incidents, and higher engagement can demonstrate direct business impact. They create a dedicated practice for measurement, which includes sophisticated data visualizations, statistically oriented analysis, and predictive data modeling based on synchronized learning, talent, and workforce management data.

CURIOUS TO DETERMINE YOUR ORGANIZATION'S LEVEL OF MATURITY?

[Take the SumTotal Organizational Maturity Diagnostic.](#)

HOW TO USE THE ORGANIZATIONAL MATURITY INDEX

Initiating change can seem daunting at first; the SumTotal Organizational Maturity Index offers organizations a kind of gut check before diving in. Only once you know your present location on a maturity spectrum can you start confidently charting your course to a more mature organization.

We encourage organizations interested in determining their organizational maturity to gather a group of stakeholders and have each individual take the online diagnostic. Consider assembling a group with a mix of roles and seniority (from people leaders to end-user learners). Use the output of the [Organizational Maturity Index](#) (with different answers) to initiate a candid conversation about how to determine learning, talent, and workforce management priorities. Then take the online diagnostic again, as a group, once there's alignment on both your current level of organizational maturity and where your priorities lie.

We recommend focusing on the **two indicators** with the highest priority for the organization; typically, organizations focus on employee experience and governance. After selecting their two indicators, some organizations then decide to focus on one stage per year.

CONCLUSION: TAKE THE NEXT STEPS TO ADVANCE YOUR ORGANIZATIONAL MATURITY

To date, we've found that the overall average maturity score for organizations across all nine indicators of success is 1.9 — you may score high on some indicators, but see a surprisingly low score for others.

By dissolving learning, talent, and workforce management silos, organizations can create and benefit from the competitive advantages of a superior employer brand, a higher level of interested external talent, and an optimized existing workforce.

No matter which stage you're starting at and progressing to, we recommend five steps to improving your organizational maturity (and business impact):

1. Become clear on what value learning, talent, and workforce management will help drive.
2. Start with the outcomes most critical for business success.
3. Use evidence-based approaches to identify practices to drive outcomes.
4. Measure, analyze, and adjust to fine-tune results.
5. Celebrate success!

ABOUT SUMTOTAL

SumTotal provides a unified, comprehensive Learning and Talent Development suite that delivers measurable impact across the entire employee lifecycle. With SumTotal, organizations can build a culture of learning that is critical to growth, success, and business sustainability. SumTotal's award-winning technology provides talent acquisition, onboarding, learning management, and talent management solutions across some of the most innovative, complex and highly regulated industries, including technology, airlines, financial services, healthcare, manufacturing, and pharmaceuticals.

Skillsoft and SumTotal are partners to thousands of leading global organizations, including many Fortune 500 companies. The company features three award-winning systems that support learning, performance, and success: Skillsoft learning content, the Percipio intelligent learning experience platform, and the SumTotal suite for Talent Development, which offers measurable impact across the entire employee lifecycle.

Learn more at sumtotalsystems.com.

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