Talent and Competency Management
(As Per the New Syllabus 2018-19 of Mumbai University for T.Y.BMS, Semester V)

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Himalaya Publishing House
ISO 9001:2008 CERTIFIED
“I am convinced that nothing we do is more important than hiring and developing people. At the end of the day, you bet on people, not on strategies.” – Lawrence Bossidy, GE. This book is about talent, talent management, talent acquisition and about managing competencies in today’s global and ever competitive corporate world. It is a book that has insights on talent management and competency management.  

It is now important to create a talent-management strategy in sync with business strategy to make an efficient and effective business model in this dynamic economic condition. Today, “talent management” must be linked with competency-based management to get the most suitable employee for the job. Every industry has its own demands and requisites and its only imperative that talent and competencies are defined as per the requirement of various industries. Today, we have different business model. So we cannot have ‘one shoe fits all’ theory. Employees have to be right fit to perform the job properly.


Chapter – 4: This chapter details the process of Competency Management and Competency Mapping, Concept of Competency and Competence, Competence v/s Competency, Types of Competencies, Benefits and Limitations of Implementing Competencies, Iceberg Model of Competency, Competency Management, Benefits and Challenges of Competency Management, Competency Development, Competency Mapping and Steps in Competency Mapping.

This book is not limited to usual chapters with theoretical content but has cases and multiple choice questions for students to understand the practical approach to the various topics covered in this book. The multiple choice questions and cases help the students to get a practical overview also.

The book would not have been possible without the encouragement and support of my Trustees and my colleagues. I could not have started this book if not for immense encouragement and motivation from Mr. S.K. Srivastava of Himalaya Publication. Special mention of my husband, my son, my father, Ms. Japita Bhownik and Dr. Harshada Mulay. Finally, I would like to acknowledge my sincere respect and gratitude towards all the experts and thinkers who provided insight and knowledge on the nuances of the theories and topics covered in the subject.

Author
### MODULES AT A GLANCE

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### OBJECTIVES

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<thead>
<tr>
<th>Sr. No.</th>
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<tr>
<td>1</td>
<td>To understand key talent management and competency management concepts</td>
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<td>2</td>
<td>To understand the concept and importance of competency mapping</td>
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<tr>
<td>3</td>
<td>To understand the role of talent management and competency management in building sustainable competitive advantage to an organisation</td>
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<td>4</td>
<td>To know the ethical and legal obligations associated with talent management</td>
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### Modules/Units

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<tr>
<th>Sr. No.</th>
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<tr>
<td>1</td>
<td><strong>Introduction to Talent Management</strong></td>
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<tr>
<td></td>
<td>● Talent Management – Meaning, History, Scope of Talent Management, Need of Talent Management</td>
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<td>● Role of Talent Management in Building Sustainable Competitive Advantage to an Organisation</td>
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</table>
## Talent Management System
- Talent Management System – Meaning, Key Elements of Talent Management System
- Critical Success Factors to Create Talent Management System
- Building Blocks for Talent Management – Introduction, Effective Talent Management System, Building Blocks of Effective Talent Management System
- Approaches to Talent Management
- Talent Management and Succession Planning

## Contemporary Issues and Current Trends in Talent Management
- Contemporary Talent Management Issues, Talent Management Challenges
- Current Trends in Talent Management
- Best Practices of Talent Management
- Ethical and Legal Obligations Associated with Talent Management
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## Competency Management and Competency Mapping
- Concept of Competency and Competence, Competence v/s Competency
- Types of Competencies, Benefits and Limitations of Implementing Competencies
- Iceberg Model of Competency
- Competency Management – Meaning, Features and Objectives
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- Competency Development – Meaning, Process
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- Methods of Competency Mapping, Steps in Competency Mapping
### QUESTION PAPER PATTERN

**Maximum Marks:** 75  
**Questions to be Set:** 05  
**Duration:** $2 \frac{1}{2}$ Hours  
All questions are compulsory carrying 15 Marks each.

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<tr>
<th>Question No.</th>
<th>Particulars</th>
<th>Marks</th>
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| Q.1          | Objective Questions  
|              | (A) Sub-questions to be asked (10) and to be answered (any 08)  
|              | (B) Sub-questions to be asked (10) and to be answered (any 07)  
|              | (* Multiple Choice/True or False/Match the Columns/Fill in the Blanks) | 15 Marks |
| Q.2          | Full Length Question  
| Q.2          | OR  
| Q.3          | Full Length Question  
| Q.3          | OR  
| Q.4          | Full Length Question  
| Q.4          | OR  
| Q.5          | (A) Theory Questions  
| Q.5          | (B) Theory Questions  
| Q.5          | OR  
| Q.5          | Short Notes  
|              | To be Asked (05)  
|              | To be Answered (03) | 15 Marks |
|              |  | 08 Marks |
|              |  | 07 Marks |
|              |  | 15 Marks |

**Note:** Theory question of 15 Marks may be divided into two sub-questions of 7/8 and 10/5 Marks.
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<td>4.1 Concept of Competency and Competence, Competence v/s Competency</td>
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<td>4.2 Types of Competencies, Benefits and Limitations of Implementing Competencies</td>
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<td>4.5 Benefits and Challenges of Competency Management</td>
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<td>4.7 Competency Mapping - Meaning, Features, Need and Importance of Competency Mapping</td>
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Chapter 1

Introduction to Talent Management

Learning Outcomes

1.1 Talent Management – Meaning, History
1.2 Scope and need of Talent Management
1.3 Benefits and Limitations of Talent Management
1.4 Principles of Talent Management
1.5 Source of Talent Management
1.6 Talent Gap – Meaning, Strategies to Fill Gaps
1.7 The Talent Value Chain
1.8 Role of HR in Talent Management
1.9 Role of Talent Management in building Sustainable Competitive Advantage to an Organisation
1.10 Questions

1.1 Talent Management – Meaning, History

Talent Management, as the name itself suggests is managing the ability, competency and power of employees within an organisation. The concept is not restricted to recruiting the right candidate at the right time but it extends to exploring the hidden and unusual qualities of your employees and developing and nurturing them to get the desired results. Talent Management, also known as Human Capital Management is the process of recruiting, managing, assessing, developing, and maintaining an organisation’s most important resource i.e. its people (Bhatla, 2007). Talent Management is a set of integrated organisational workforce processes designed to attract, develop, motivate and retain productive, engaged employees. The issue of talent management gained prominence at the end of the 1990s. The growing interest in this sphere has two fundamental causes. First and foremost, there was the dissemination of the view that human resources played a key role in creating a competitive advantage in enterprises operating in a knowledge-based economy. The second cause had to do with changes in the labour market. This concerned the demand for specialists in areas of strategic importance to those companies and the problems involved in recruiting and retaining them (Pocztowski, 2008). This thesis is confirmed by research findings: only 15% of companies in North
America and Asia, and just under 30% in Europe, claim that they have enough qualified workers and do not struggle with succession in key positions. Emerging markets feel a much stronger demand for experienced specialists, and the forecast is that this deficit will continue for another 20 years (Fernandez-Araoz, Groysberg, Nohria, 2012).

<table>
<thead>
<tr>
<th>Author</th>
<th>Definition</th>
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<tbody>
<tr>
<td>1. M. Armstrong</td>
<td>“Talent Management is the processes of ensuring that talented people are attracted, retained, motivated and developed in line with the needs of the organisation”.</td>
</tr>
<tr>
<td>2. B. Jamka</td>
<td>Talent management is the “attraction, development, and retention” of the talents, i.e. the most valuable staff members, by creating conditions conducive to their potential development, so that they can be put to use for the company’s operations for as long as possible.</td>
</tr>
<tr>
<td>3. J. Moczydłowska</td>
<td>Talent Management is a set of activities taken vis-à-vis personnel with outstanding talents, to ensure their development and increase their operational efficiency, while simultaneously achieving corporate goals.</td>
</tr>
<tr>
<td>4. E. Maliszewska</td>
<td>Talent Management consists of searching for talents inside or outside the organisation, undertaking special activities to enable their development, training and career path planning, and ensuring that their remuneration is competitive with that of other organisations.</td>
</tr>
<tr>
<td>5. S. Borkowska</td>
<td>Talent Management involves implementing a set of key activities as part of human resources management, while simultaneously applying more advanced methods and techniques.</td>
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</table>
1.1.1 Pocztowski’s model for managing talents in organisations

The goal of talent management is to create a high-performance, sustainable organisation that meets its strategic and operational goals and objectives.

The basic four elements of talent management are:
- Talent acquisition
- Talent Identification
- Talent Development
- Talent Deployment

**Talent acquisition** is an ongoing strategy to find specialists, leaders, or future executives for your company. Talent acquisition tends to focus on long-term human resources planning and finding appropriate candidates for positions that require a very specific skill set.
Talent identification is the prediction of future performance based upon an evaluation of current physical, technical, tactical and psychological qualities.

Talent Development is a set of integrated organisational HR processes designed to attract, develop, motivate, and retain productive, engaged employees. The goal of talent development is to create a high-performance, sustainable organisation that meets its strategic and operational goals and objectives.
You have to maximise your employees’ value
There are four main areas that need to be addressed for Talent Development

**Talent Development**

- **Development**: How are you dealing with your middle and bottom performers?
- **Alignment**: Is everyone in the company 100% aligned with the business strategy?
- **Retention**: Have you identified top performers and do you have a plan in place to keep them?
- **Engagement**: Are the employees fully engaged and do they have tools and resources to be 100% effective doing their jobs?

**Fig. 1.6**

Talent deployment is the process of drawing on identified talent to fill critical workforce gaps. This may include placement of identified talent in short-term roles such as critical projects/taskforces or selection for long-term positions.

**New Global Talent Deployment Strategy**

**Objective and components of mobility strategy**

- Talent segmentation
- Talent identification
- Candidate profiles
- Selection criteria
- Selection process
- Contracts and, employment agreements (on assignment and repatriation)
- Remuneration, benefits and support
- Retention arrangements
- Funding arrangements
- Management of other related costs

- Identification of need and locations
- Critical roles
- Key skill requirements
- Assignment purpose
- Type and length of assignment
- Assignment lifecycle management
- Transition management

**Fig. 1.7**
Talent management is the science of using strategic human resource planning to improve business value and to make it possible for companies and organisations to reach their goals. Everything done to recruit, retain, develop, reward and make people perform forms a part of talent management as well as strategic workforce planning. A talent-management strategy should link to business strategy to function more appropriately.

The term was coined by McKinsey and Company following a 1997 study. It was later the title of a book by Ed Michaels, Helen Hadfield-Jones, and Beth Axelrod however the connection between human resource development and organisational effectiveness has been established since the 1970s. The profession that supports talent management became increasingly formalised in the early 2000s.

1.1.2 What is the difference between Talent Management and Talent Acquisition?

Talent acquisition is the process of finding and acquiring skilled human labour for organisational needs and to meet any labour requirement. This however should not be confused with Recruitment which only aims at filling vacancies. Talent acquisition is an ongoing strategy to find specialists, leaders, or future executives for your company. It tends to focus on long-term human resources planning and finding appropriate candidates for positions that require a very specific skillset. Talent Acquisition function encompasses:

- Building a strong employer brand to attract high potential candidate
- Proactively building applicant pipelines to meet current and future business needs
- Maintaining relationships with past candidates for future opportunities
- Strategically sourcing potential hires from diverse backgrounds

Talent acquisition forms a part of Talent Management as a process but some sources indicate that Talent Management mostly comes into play after acquiring talent. It is an ongoing process of developing employees, retaining employees and preventing turnover once this talent is a part of your organisation. Through Talent Management companies can:

- Identify internal candidates to fill key positions
- Increase retention rates through employee career-pathing
- Boost morale to keep employees motivated
- Coach and develop employees to help them achieve their full potential

1.2 Scope and Need of Talent Management

In today’s competitive and complicated talent situation in the world and global approach to talent management it has huge potential. Scope of talent management is very wide and far reaching. Talent management is a key succession planning tool that provides an integrated means of identifying, selecting, developing and retaining top talent within organisations which is required for long term planning. The main area of scope can be the following:

1. **Identification of the talent required:** It’s very important for any organisation to recruit the most talented and skilled employees available.

2. **Right selection of talent or human resource:** Right person at the right job is the key to having a successful and effective organisation.
3. **Clear, competent and competitive compensation plan**: Every organisation has to aim at paying the right compensation to the right people. Underpaid employees are generally not effective compared to adequately paid employees.

4. **Training and Development of talented individuals**: For an organisation to sustain in today’s competitive market and fast evolving economy companies have to keep their employees trained and have smart development programs to keep them updated to meet market challenges and requirements.

5. **Strong performance assessment system**: Efficient and effective employee needs to be assessed properly, systematically and in a planned manner to be appreciated, therefore organisations needs to have a very strong performance appraisal system.

6. **Retaining the right and synergised talent**: Today every organisation is out to head hunt the best talent and talent management is a perfect tool to retain the talent with the organisation and keep the synergy between employee and organisation smooth and growing.

![How CEOs Rank Talent Management](image)

Source: Economist Intelligence Unit

**1.3 Benefits and Limitations of Talent Management**

**1.3.1 Benefits of Talent Management**

1. **Better positioning in the ‘war-for-talent’**: In such a competitive market for talent, particularly from private companies with big budgets, talent management strategies and employee benefits packages can enable the public sector to compete with big brands from a recruitment, retention and engagement perspective. A clear approach to talent strategy informs prospective employees that you look after your people.

2. **Improved operational efficiency**: Having an overarching talent strategy in place, with appropriate support systems and processes, equals time and cost savings. This will also help to embed talent initiatives and make them ‘business-as-usual’.

3. **Improved people performance**: If you lack an approach to talent and succession planning, chances are you’re not making the most of the right people in the right roles at the right time. A structured approach to performance and talent management can result in increased productivity and efficiency, increased engagement, improved time-to-competence, and higher retention. For the public sector this can also mean doing ‘more with less’, utilising
the talent that exists in the organisation to lower costs, fill gaps in talent and leadership, and increase overall performance.

4. **Decreased risk:** Improved line-of-sight over people and performance will enable you to monitor engagement and performance levels, helping you address poor performance and reduce turnover. This is critical from a compliance perspective. Supporting talent and performance management technology will also allow for efficient identification and utilisation of talent, making succession planning simple and accurate.

Enhances individual and group productivity and capacity to compete effectively in a complex and dynamic environment to achieve sustainable growth. It helps the organisation fulfill its vision with the help of efficient and promising talented people. Talent management also assists the organisation to build a talent pool comprising a list of talented people to meet future exigencies. It helps the organisation in hiring quality workforce. Organisation become more competitive and progressive, as there is a better correlation between skills and jobs. Talent management encourages intrapreneurship and makes way for future leadership. Processes and systems are better organised and that leads to better decision making.

### 1.3.2 Advantages and Disadvantages

**Advantages**

1. Help in ascertaining the right person is deployed in the right position
2. Contributes in retaining their top talent
3. Better hiring by hiring assessments
4. Helps in understanding employees better and shaping their future
5. Promotes effective communication across different disciplines

**Disadvantages**

1. The implementation of talent management program could be expensive in terms of time, resources and financial costs.
2. Lack of support from line managers can impede the level of commitment from employees.
3. A core drawback of talent management is, it can contribute in raising the conflicts between HR and management by not reaching to proper agreement or consensus.

### 1.3.3 Talent Management Process

Talent management process is the procedure to manage the ability, competency, and power of employees within an organisation. Everything that is done to recruit, develop, retain, reward and make employees perform better is a part of talent management, people are undoubtedly the best resources of an organisation. Sourcing the best people from the industry has become the top most priority of the organisations today. In such a competitive scenario, talent management has become the key strategy to identify and filling the skill gap in a company by recruiting the high-worth individuals from the industry. It is a never-ending process that starts from targeting people. The process regulates the entry and exit of talented people in an organisation. To sustain and stay ahead in business, talent management cannot be ignored. In order to understand the concept better, let us discuss the stages included in talent management process:
1. **Understanding the Requirement:** It is the preparatory stage and plays a crucial role in success of the whole process. The main objective is to determine the requirement of talent. The main activities of this stage are developing job description and job specifications.

2. **Sourcing the Talent:** This is the second stage of talent management process that involves targeting the best talent of the industry. Searching for people according to the requirement is the main activity.

3. **Attracting the Talent:** It is important to attract the talented people to work with you as the whole process revolves around this. After all the main aim of talent management process is to hire the best people from the industry.

4. **Recruiting the Talent:** The actual process of hiring starts from here. This is the stage when people are invited to join the organisation.

5. **Selecting the Talent:** This involves meeting with different people having same or different qualifications and skill sets as mentioned in job description. Candidates who qualify this round are invited to join the organisation.

6. **Training and Development:** After recruiting the best people, they are trained and developed to get the desired output.

7. **Retention:** Certainly, it is the sole purpose of talent management process. Hiring them does not serve the purpose completely. Retention depends on various factors such as pay package, job specification, challenges involved in a job, designation, personal development of an employee, recognition, culture and the fit between job and talent.

8. **Promotion:** No one can work in an organisation at the same designation with same job responsibilities. Job enrichment plays an important role.

9. **Competency Mapping:** Assessing employees’ skills, development, ability and competency is the next step. If required, also focus on behaviour, attitude, knowledge and future possibilities of improvement. It gives you a brief idea if the person is fit to be promoted further.

10. **Performance Appraisal:** Measuring the actual performance of an employee is necessary to identify his or her true potential. It is to check whether the person can be loaded with extra responsibilities or not.

11. **Career Planning:** If the individual can handle the work pressure and extra responsibilities well, the management needs to plan his or her career so that he or she feels rewarded. It is good to recognise their efforts to retain them for a longer period of time.

12. **Succession Planning:** Succession planning is all about who will replace whom in near future. The employee who has given his best to the organisation and has been serving it for a very long time definitely deserves to hold the top position. Management needs to plan about when and how succession will take place.

13. **Exit:** The process ends when an individual gets retired or is no more a part of the organisation.

Talent Management process is very complex and is therefore, very difficult to handle. The sole purpose of the whole process is to place the right person at the right place at the right time. The main issue of concern is to establish a right fit between the job and the individual.

### 1.3.4 Measuring Talent Management

Evaluate the results of talent management system on a regular basis for

1. Effectiveness
2. Quality
3. Credibility
4. Timeliness
5. Return on Investment

<table>
<thead>
<tr>
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<th>Measure</th>
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<tbody>
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<td>Return on Investment</td>
<td>Return on Human Capital</td>
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<td>Lower turnover and greater retention of skills</td>
<td>Workforce turnover rate as a percentage</td>
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<td>Productivity increases</td>
<td>Throughput of the unit per capita</td>
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<td>Cost: income ratio as a result of talent initiatives</td>
<td>CI ratio- Operating costs (administrative and fixed costs, such as salaries and property expenses) divided by operating income</td>
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<td>Employee retention</td>
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<td>Employee Engagement</td>
<td>Employee attitude surveys, Employee engagement index</td>
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<td>Internal promotions versus external recruitment</td>
<td>Workforce management data</td>
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<td>Availability of people to manage strategic projects</td>
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### 1.4 Principles of Talent Management

**Principle 1: Alignment with Strategy**

Corporate strategy is the natural starting point for thinking about talent management. Given the company’s strategy, what kind of talent do we need? For example, GE’s growth strategy is based on five pillars: technological leadership, services acceleration, enduring customer relationships, resource allocation and globalisation. But GE’s top management understands that implementing these initiatives may have less to do with strategic planning than with attracting, recruiting, developing and deploying the right people to drive the effort.

**Principle 2: Internal Consistency**

Implementing practices in isolation may not work and can actually be counter-productive. The principle of internal consistency refers to the way the company’s talent management practices fit with each other. Our study shows that consistency is crucial. For example, if an organisation invests significantly in developing and training high-potential individuals, it should emphasize employee retention, competitive compensation and career management. It also should empower employees to contribute to the organisation and reward them for initiative.

**Principle 3: Cultural Embeddedness**

Many successful companies consider their corporate culture as a source of sustainable competitive advantage. They make deliberate efforts to integrate their stated core values and business principles into talent management processes such as hiring methods, leadership development activities,
Introduction to Talent Management

performance management systems, and compensation and benefits programs. For example, whereas companies have traditionally focused on job-related skills and experience to select people, some multinationals we studied have expanded their selection criteria to include cultural fit.

**Principle 4: Management Involvement**

Successful companies know that the talent management process needs to have broad ownership - not just by HR, but by managers at all levels, including the CEO. Senior leaders need to be actively involved in the talent management process and make recruitment, succession planning, leadership development and retention of key employees their top priorities.

**Principle 5: Balance of Global and Local Needs**

For organisations operating in multiple countries, cultures and institutional environments, talent management is complicated. Companies need to figure out how to respond to local demands while maintaining a coherent HR strategy and management approach. Among the companies we studied, there was no single strategy. For example, Oracle emphasised global integration, with a high degree of centralisation and little local discretion. Matsushita, meanwhile, focused on responsiveness to local conditions and allowed local operations to be highly autonomous.

**Principle 6: Employer Branding Through Differentiation**

Attracting talent means marketing the corporation to people who will fulfill its talent requirements. In order to attract employees with the right skills and attitudes, companies need to find ways to differentiate themselves from their competitors. P and G, for example, was in one year able to attract about 600,000 applicants worldwide — of whom it hired about 2,700 — by emphasising opportunities for long-term careers and promotion from within.
1.5 Source of Talent Management

1.5.1 The New Sources of Talent

The ever-widening skills gap, combined with the current 13-year high in a number of job openings, is causing employers to look for new sources of talents. Hiring Managers are starting to rely more heavily on non-traditional talent to fill vacant positions and obtain needed skillsets. Currently, according to Ardent Partners, 32 percent of the average company’s overall workforce is considered contingent or contract-based. Ardent predicts that by the end of 2017, almost 45 percent of the global workforce will consist of contingent workers.

Currently, traditional sources of contract talent such as staffing agencies and personal networks encompass the majority of the marketplace. However, over the next few years, the labour market is expected to shift, with social media and social networks and crowdsourcing solutions gaining more momentum.

1. **Private Talent Pools**: This source of talent is something that is already known to employers. It consists of alumni and former workers, retirees, and past contingent workers. Private talent pools are able to provide workers who have already earned trust and whose quality has already been measured.

2. **Social Media and Social Networks**: Social media and social networks are expected to grow by 60 percent over the next two years. Social platforms, such as LinkedIn, are already serving to connect non-employee talent with companies. Additionally, social media and networks can be used to discover workers with experience in niche industries and hard-to-find skills.

3. **Online Labour Marketplaces**: In 2014, companies looking to find contractors that specialise in fields and industries or for specific projects or tasks are using freelance networks and online marketplaces more often. According to research from Ardent Partners, reliance on online labour marketplaces is expected to grow by 96 percent over the next two years.
4. Crowdsourcing: Companies are increasingly looking at crowdsourcing to quickly obtain talent and innovation in everything from graphic design to writing to marketing services. Crowdsourcing is becoming a cost-effective means of tapping into global talent on a consistent basis. Ardent Partners expects that this source of talent will grow by over 400 percent through 2016.

To make sure you’re equipped with—or at least thinking about—the most important sources for the top of the modern hiring funnel today, we’ve compiled a list of seven “must-haves.”

1. Consumer-Quality Careers Site: It almost goes without saying, but a visually appealing, responsive web designed, easily navigable and searchable careers site is an absolute must for today’s businesses. In many ways, the site is a complex advertisement for attracting job seekers who are coming there expecting an Amazon.com-like experience. Companies are using them to represent their brand and communicate the culture candidates can expect. Having a bad career site is tantamount to making a bad first impression.

2. Job Boards: Job boards are helpful for expanding a recruiting organisation’s reach beyond its own database and the people who come to the site directly or via search engines. Though, in addition to the most frequented and popular job boards, there are thousands of niche ones from which to choose. Job distribution and automation tools are crucial here, and back-end analytics can facilitate improvements in source performance, candidate quality, and other key performance indicators.

3. Social Networks: Recruiting is a job function leading the charge on becoming more social—hence the buzz around “social recruiting.” This is the practice of using sites like LinkedIn and Twitter to identify as well as connect and communicate with passive and active job seekers. A rising number of companies seem to be investing resources in building out personal brands of recruiters and equipping them with skills needed to take full advantage of social media.

4. Integrated Talent Network: Building on the previous point about social recruiting, many companies are taking this a step further by focusing on the development of talent networks. With a talent network, recruiters are able to maintain a database of talent that is easily joinable for candidates and searchable for talent acquisition professionals. In some instances, recruiters can actually use their talent network as means to communicate with potential applicants.

5. Referral Program: Many industry experts still say that referrals are the best source for quality talent. For recruiting organisations, the goal should be to make it as easy as possible for internal employees to refer someone for a position. This means having a standardised process with incentives for helping to identify talent. In some cases, companies are enabling candidates with the tools to request a referral right from the requisition.

6. Next-Generation Mobile Experience: 80% of job seekers expect to be able to do part of their search easily on a smartphone. 70% would actually apply for a position on one. Unfortunately, most companies are lagging in their mobile experience, making it challenging for a candidate to fill out an application. Some companies offer only an “email this job” option. In extreme cases, though, candidates are directed to an error page and never even get the option to apply. Inspecting and optimising their mobile experience should be a top priority for recruiting organisations.

7. Search Engines: It’s becoming more common for candidates to start their job search on Google or another search engine. This means they are typing in queries like “Software Developer jobs San Francisco” rather than going directly to a job board or careers site. For
this reason, it is crucial for recruiting organisations to incorporate on-page SEO best practices into their job requisitions. Not only does this greatly increase the applicant pool, talent is far more likely to find search engine optimised job requisitions.

### 1.6 Talent Gap – Meaning, Strategies to Fill Gaps

The definition of a talent gap, also known as a skills gap, is where there are more jobs than qualified people to fill them. Positions with the greatest gap are those of heavily skilled workers found in industries such as manufacturing, construction and health care. They’re the hardest candidates to come by according to Society for Human Resource Management. A talent gap is defined as “a significant gap between an organisation’s skill/talent needs and the current capabilities of its workforce. It’s the point at which the organisation can no longer grow or remain competitive because they don’t have the right talent to help drive business results and support the organisation’s strategies and goals.” There are a number of methods an employer can utilise when overcoming the talent gap.

Once current and future potential talent gaps are identified clearly, strategists can begin to develop concrete action and investment plans. Here are five key action areas to address:

1. **Build and maintain a structured, searchable skills and competency database.** The skills and competency database should outline core competencies, managerial and employee self-assessments, a list of key initiatives or programs supported, experience with identified methodologies and certifications. Obtaining consistency from one employee or manager to the next is another big challenge, but critical to overcome if such databases are to be useful in making assignments that account for competency, identifying talent gaps and directing future investments in hiring, training and development.

2. **Create and align specific career and salary progression tracks, using business and technology strategic roadmaps as a starting point.** Again, while this may seem like common sense, progression planning and consistent execution (moving people along according to their plans) has become less common as average terms of employment have become progressively shorter; managers have been challenged to do more with less, resulting in less time to allocate to these types of efforts, and frequent job-hopping has become the norm over the past several decades, especially among younger generation and junior talent.

3. **Tap into large, but significantly under-utilised talent pools.** There is always a large pool of ex-defense, retired personnel and average graduates who can be recruited in certain job profiles which enhances and expedites their work skills and also benefits the organisation. There are significant number of talented people in rural areas who can be trained a little, developed and converted to effective talent pool. Lateral entry at various positions is also a good way of utilising under – utilised talent pool.

4. **Fund or deploy ongoing professional development to re-skill existing staff.** Clear progression planning makes it easier both to recruit and retain junior talent and to encourage existing staff to invest time and energy in acquiring new skills and/or adding competencies that may be needed but not necessarily perceived as exciting or marketable over their longer-term career horizons.

Build and market your brand as employer of choice. While certain brands carry huge consumer cache that makes it relatively easy for them to attract talent, most companies need to work much harder at becoming perceived as employers of choice in the marketplace. This involves not only establishing a strong employment brand, but marketing and promoting consistently through all available channels, including social media, events, and other...
traditional advertising and PR avenues. While career progression planning is one aspect of building a strong employment brand, other aspects important in today’s marketplace include flexible work arrangements, work-life balance, consistent and transparent measurement and reporting on employee satisfaction, pleasant work environment, exposure to global markets and work experience, access to state-of-the-art advanced technology tools and investment in both internal and external training, continuing education and mentoring.

1.7 The Talent Value Chain

The concept of the “value chain,” introduced by Michael Porter in 1985, can be applied to talent in the form of the following “people value chain”: talent attraction, targeted recruiting, high-accuracy hiring, proactive “on-boarding,” talent identification, performance enhancement, career acceleration and succession.

Five Ways to Create Value

As Talent, you can create value in five ways, discussed in the following sections.

1. Make Sure Your Idea Is Unique, Authentic, and Genuine: Explore the genuineness before you implement the idea. You may have a phenomenal idea, but you don’t know whether somebody has already done it or not. For example, when Amazon.com came up with the idea to sell books over the Internet, Barnes and Noble and Borders thought, “This is a good idea.” So, they started BN.com and Borders.com. They have had some success but not even close to that of Amazon.

2. Expose the Idea to the Right People and Involve Those People Intensely: If you have a phenomenal idea, you have to select and involve the right people intensely in implementing your idea. You may need financial help to carry the idea off. You may need the endorsement of key players in the industry, or you may need to gather customers. Regardless, you want influential people to back your idea and a passionate team to implement it.

3. Ensure That All Information Is Adequate, Accurate, and Free Flowing at All Levels: Management should create an atmosphere that ensures that adequate and accurate information flows freely and fearlessly up, down, and sideways to facilitate the implementation of ideas. If information is held back, or there is lack of commitment, or misunderstandings of goals, then the project will fail.

4. Provide the Right Resources to People Involved: You may have a phenomenal idea, but if you cannot provide the right resources to the right people, then your idea will never be implemented. Provide the resources to make the product or service the best it can be. Don’t take shortcuts that sacrifice a passion for excellence in order to save a few bucks.

Expect Something Unexpected; Many Failures, Surprises, and Setbacks Will Come, So Learn from These

Value-chain Analysis

Value-chain analysis refers to the activities within and around the organisation and relates them to an analysis of the organisation’s competitive strengths. Capturing the value generated along the chain is an approach popular with management strategists and can be looked at from an external and internal perspective. The external perspective, often referred to as the “value system,” includes internal factors as well as all external factors that impact the chain (e.g., vendors, vendors to the vendors, external corporate partners, outsource partners, etc.). A value-chain analysis from the internal
perspective looks only at the in-house processes and policies of the value chain with consideration for how external factors may impact the internal activities.

**Analysing Your Talent-management Value Chain**

The purpose of analysing the value chain of your talent-management process is to identify how each business activity within the process contributes to your overall competitive strategy and where there may be efficiencies and cost savings to be gained within the process. An organisation may create a cost advantage through value-chain analysis by reducing the cost of the individual activities within the value chain or by reconfiguring the value chain.

**Steps in the Talent-management Value-chain Analysis**

1. **Identify or clarify your overall competitive strategy**: This may mean revisiting your vision and/or mission, or reiterating the firm’s short-term and long-term goals, ensuring that everyone within all departments in the organisation is on the same page.

2. **Activity analysis**: Identify each activity undertaken in the talent-management process (recruiting, hiring, retaining and growing of human capital). This can be accomplished by conducting a brainstorming session or a business process review (BPR) with key individuals who are responsible for carrying out these activities and those who are impacted by these activities.

3. **Value analysis**: For each activity, assess the value that the activity brings to the process. Evaluate the pros and cons of making changes to the process. You must also consider how the changes may affect other departments within the organisation and evaluate the overall impact of proposed changes.

4. **Planning**: Design and implement a strategic plan to reduce the costs of the activities within the talent-management value chain or the cost to reconfigure the value chain.

For example, you can apply these steps to the recruitment component of the talent-management value chain. The first step is to ensure that the recruitment process supports the activity of attracting right-fit employees who will deliver on the competitive strategy of the organisation. This may mean attracting people to the organisation who have proven customer-service skills.

How the organisation attracts right-fit employees is directly related to the recruiting activities. During the activity analysis, consideration must be given to the activities within all departments that are or should be involved in recruiting efforts (e.g., marketing, operations and communications).

Marketing may determine the types of advertisement to be placed, such as print advertisement for magazines and newspapers, electronic advertisement posted online, radio advertisement, etc. The marketing or communications departments may individually or collaboratively determine the verbiage and the aesthetics of the advertisement, ensuring that the culture of the organisation is clearly represented to potential candidates. Operational departments may communicate their labour needs to human resources, clearly outlining the particular requirements of the candidates, such as educational level, experience requirements, physical requirements, etc.

Further activity analysis involves dissecting every step within each activity. Below is a hypothetical example for a recruitment process utilising print advertisement:

1. **Designing the advertisement**:
   
   (a) Marketing identifies pictures or artwork, if any, to be used
   
   (b) Solicit input from the hiring manager within the operations department
   
   (c) Solicit input from the general manager of the operations department
Introduction to Talent Management

(d) Marketing and communications collaboratively identify verbiage to be used: key words or culture-related nomenclature
(e) Solicit input from the hiring manager within the operations department
(f) Solicit input from the general manager of the operations department
(g) Submit for approval to the vice president of the marketing division
(h) Marketing and communications collaboratively determine the layout of the advertisement – the placement of verbiage in relationship to the artwork or pictures, prominence and placement of the company’s logo
(i) Solicit approval from the marketing director
(j) Solicit approval from the communications director

2. Choosing the appropriate print media for the advertisement:
   (a) Magazines
   (b) Newspapers
   (c) Trade publications
   (d) Final proofing of the advertisement
   (e) Submit to the operations manager for final approval
   (f) Submit to the general manager of operations for final approval
   (g) Submit to the marketing director for final approval
   (h) Submit to the communications director for final approval

3. Determining the run time for the advertisement:
   (a) Submit to the finance manager for approval
   (b) Submit to the general manager of the operations department for approval

4. Printing and distribution of the advertisement:
   (a) Send to the printer (outsourced)
   (b) Printed materials returned to the marketing department
   (c) Marketing department distributes the final copy to the predetermined publications for printing

The value analysis involves analysing the value impact of each of the activities identified during the activity analysis. In this example, the value analysis reveals cost-saving opportunities by streamlining various activities. In the first step of designing the advertisement, it is not necessary to solicit input at each step from the hiring manager and the general manager of operations.

While it is critical to solicit input from the hiring manager at the beginning of the process to ensure that the recruitment advertisement will attract candidates with the skills, experience and education to fulfill all job requirements, it is not necessary to solicit input at every step in the process. Cost savings can be realised by streamlining the activities to solicit input from the hiring manager in the beginning and end of the process. Additionally, if the organisation has a culture of trust, the general manager of operations can be eliminated entirely from the approval process, trusting the hiring manager to make good decisions regarding her recruitment needs.

There are also potential cost savings related to time efficiencies by allocating one place in the process for executive approvals, such as at the activity step of final advertisement proofing, if it is determined that executives must approve advertisement before they go to print. Again, a culture of trust can reduce the list of approvals needed to send an advertisement to print. If the marketing
manager and the communications manager are competent and right-fit for their jobs, is it necessary to send the advertisement to the marketing and communications director for final approval?

Measurements may be available that show certain print publications have not generated positive results in attracting right-fit candidates. Savings can be realised by determining which publications have yielded the best results and then choosing only those publications for advertisement placement.

An analysis of the printing activity may reveal cost-saving opportunities if it is faster and less expensive to print the advertisement in-house. If the organisation does not have in-house printing capabilities, the following questions should be asked: “How long since we have sourced this function? How long since we have negotiated with the provider for a better price? Are there potentially other companies from which a better price can be negotiated?”

Once the analysis of the value-chain activities is complete, a secondary evaluation must be done before implementing changes. This evaluation process scrutinises the cost to make changes, not only in monetary terms but also in terms of the impact on other departments outside of the talent-management value chain.

One thing to remember is that all internal value chains have a relational effect on all other value-chain processes within the organisation. The secondary evaluation may show that while cost savings can be realised within the talent-management value-chain process, making these changes may create hardships or additional monetary costs to the departments it impacts. By its very title, the word “chain” is a clue that all departments within an organisation are interconnected and that for organisations to operate effectively as an entity, no decisions can be made in a vacuum.

The last step involves the development of a strategic plan to reduce the costs of the activities within the value chain or the cost to reconfigure the value chain once the cost-saving opportunities have been identified. Minimally, the strategic plan must include:

1. Assurance that changes will deliver on the competitive strategies for the organisation
2. Involvement of key players from all departments impacted by the changes
3. A realistic timeline for implementing changes
4. A dispersal of responsibilities based on the talents and skills of the team
5. A measurement process for measuring the impact of changes made within the value-chain process
6. A process for continuous improvement and ongoing management of the talent-management value-chain process

When conducted effectively, a value-chain analysis is a strategic tool that gives the organisation the ability to identify how each business activity within an internal value chain contributes to the organisation’s competitive strategy, creating synergy between departments and making the strategy more systemic overall. The ability to identify and improve the logistical components of the talent-management process allows an organisation to leverage its top asset, the people within the organisation. The overarching result is cost savings in the forms of process efficiency, reduced employee turnover and excellent customer service leading to increased market share and customer loyalty.
1.8 Role of HR in Talent Management

<table>
<thead>
<tr>
<th>Human Resources Management</th>
<th>Talent Management</th>
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<tbody>
<tr>
<td>1. Broad Scope (entire employees)</td>
<td>1. Focus on segmentation (key group of core employees and key positions)</td>
</tr>
<tr>
<td>2. Emphasise egalitarianism</td>
<td>2. Focus on potential</td>
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<tr>
<td>3. Focus on administrative functions</td>
<td>3. Focus on the attraction, development and retention of talent</td>
</tr>
<tr>
<td>4. Transactional</td>
<td>4. Focus on integration of HR systems</td>
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<td>5. Focus on systems with silo approach</td>
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Talent management is an important aspect of broader human capital management (HCM) initiatives. HCM encompasses hiring the right people and managing them effectively, developing strong management policies and approaches, and designing integrated underlying systems to gather data needed to make strategic business decisions. Talent management focuses on some specific, critical day-to-day activities overseen by HR teams. Here’s a closer look at some of these important activities.

2. **Recruiting**: The foundation of talent management is hiring the right people. The best recruiting processes support those efforts by carefully defining job descriptions, using an applicant tracking system to help manage the workflow of the interview process, and carefully interviewing applicants to select the strongest candidates.

3. **Performance Management**: Once employees have been hired, it’s essential to have the right processes in place to successfully manage them. HR technology and service solutions in areas such as time and attendance can help track productivity and performance. Regular review processes help keep lines of communications open between management and staff, allowing workers to get feedback on what’s going well and where they need to improve their performance.

4. **Career Management**: Managing your employees’ career paths can help increase satisfaction while reducing costly turnover. Building on the information collected during annual reviews, companies can learn more about employees’ strengths and interests. With that in mind, it’s possible to work with employees on long-term career development plans. Whether you’re dealing with someone on the management track or someone interested in being a highly skilled individual contributor, career management is a critical component of talent management and employee satisfaction.

5. **Leadership Development**: Have you identified the next generation of leaders within your organisation? That’s a vital part of the talent management process. Once these high-performance, high-potential individuals have been located, businesses need to consider the best way to retain them over the long-term. Often, this process requires a focus on training, stretch assignments, and mentoring.

6. **Organisational Strategy**: Talent management activities rarely happen in isolation. Instead, strategic recruiting and support of workforce development begins with a company-level commitment. Your HR team may play a leading role in making this happen, from identifying talent management as a strategic priority to determining how and where that focus will be applied.
Focusing on talent management is a critical component of your broader workforce management strategy, because recruiting, training, retaining, and promoting the right people are essential steps in reaching your staffing goals. While human capital management initiatives encompass talent management and much more, understanding and executing the day-to-day activities of recruiting, leadership development, strategy creation, and career management are essential for successful HCM.

### From Talent to People Management

**Engagement, Empowerment, Environment**

- **Automated Talent Management**
- **Integrated Talent Management**
- **Engagement, Fit, Culture, Analytics**
- **Empowerment, Performance, Leadership**

**Talent Management:**
- Integrated processes and systems, talent as core to HR and business agenda

**People Management:**
- Focus on culture, engagement, environment, leadership, empowerment, and fit

**Systems of Automation**
- Practice-driven solutions

**Systems of Engagement,**
- Data driven solutions

<table>
<thead>
<tr>
<th>Automate</th>
<th>Integrate</th>
<th>Engage</th>
<th>Empower</th>
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**Fig. 1.11**

### 1.9 Role of Talent Management in building Sustainable Competitive Advantage to an Organisation

Organisations work towards the achievement of their mission and strategic objectives. This requires a thorough understanding of the resources required for achieving the same. Resources here imply financial and non-financial both and they are equally important and interdependent.

Technically these resources have been divided into two, non-contingent and differentiating capabilities. Whereas non contingent capabilities are basics that enable an organisation to compete and exist in the marketplace, differentiating capabilities are those that differentiate an organisation from that of the other and offer competitive advantage. Effective marketing management, for example can be one of non-contingent capabilities. Similarly many HR processes aspire to develop non-contingent capabilities but they often fail to align with the strategy and offer competitive advantage. Most of these processes end up developing people in similar areas and similar capacities as their rival firms but this fails to provide any competitive advantage.
For organisations to develop competitive advantage through HR processes it is very important to define strategic differentiating capabilities and then develop a process for identifying and developing the same. This empowers the HR people to create an impact on the organisational strategy and also provides a link between talent management and strategy.

For HR to prove that talent management can be of strategic importance to organisations, the critical relationship between the two must be proven. Talent management specially needs to be projected as a differentiating strategic capability that can offer real and substantial competitive advantage.

According to research conducted by various bodies it was found out that creation of differentiating strategic capabilities signifies the relationship between business strategy and human resources. Human resources, it was deduced are the primary sources of strategic advantage. The research study was primarily based on Resource based view (RBV) of an organisation. This view has gained significant ground among HR practitioners as basis of models for formation and structure of resources.

Unlike other non-contingent capabilities that can be developed easily and cannot contribute to a large extent towards the development of a sustainable competitive advantage, differentiating strategic capability such as strategic HR through talent management can. However for human resources to qualify as potential sources of competitive advantage they should fulfill the following criteria:

1. **Strategic Value**: The resource has to contribute substantially and add value in his/her area of expertise.
2. **Rare**: Unique in terms of skills, knowledge and abilities in order to qualify as rare.
3. **Appropriable**: The extent to which the resource is owned by the firm.
4. **Inimitable**: Such that the resource cannot be replaced even after the competitors having spotted the same.
5. **Cannot be Substituted**: This means that the resource cannot be substituted by the rival firms and that there is no match for the talent!

There are not many things in the business environment that can fulfill all the above criteria and offer unique competitive advantage except human resources and that is under the jurisdiction of talent management. There is also a need to understand the strategic intent of the organisation before defining strategic capabilities.

### 1.9.1 Integration and future of Talent Management

![Fig. 1.12](image-url)
To have a successful Talent Management there has to be a proper integration between the important elements of human resource and business model. There has to be a complete and effective link between Business strategy, human capital strategy, measuring and aligning of the work force, talent results and business results.

Performance appraisals, assessments of potential, competency evaluations, career planning, and replacement planning (the core elements of talent management) should be linked to each other. Without correlation and proper link between all the functions business models are destined to fail.

The future of talent management is more concentrated on the following factors:
1. Global work force
2. Successful retention strategies
3. Succession strategies and
4. Developing new and talented workforce as per technological advancement.

1.9.2 Global Talent Management

Global Talent Scenario - Demographic shifts in the workforce

“One of the biggest challenges facing companies all over the world is building and sustaining a strong talent pipeline. Not only do businesses need to adjust to shifting demographics and work force preferences, but they must also build new capabilities and revitalise their organizations — all while investing in new technologies, globalising their operations and contending with new competitors”

Dramatic shifts in skill requirements for future growth, coupled with increasing misalignment between supply of/demand for talent worldwide

Dispersed and diverse workforce, enabled by technology to work anywhere, anytime, across national/organisational boundaries in increasingly innovative work arrangements

Ongoing cost pressures and continual belt-tightening in most markets, increasing employers’ focus on maximising workforce productivity

Pressured, stressed workforce, struggling to do more with less, looking for long-term security and stability in a world that isn’t offering much of either

1.9.3 CS Talent Management Solution

Empower, engage and reimagine your talent management processes with TCS’ Talent Management Solution.

1. **The Platform:** TCS Talent Management Solution helps empower and engage current and prospective employees through digital technologies. We help you reimagine talent management processes by leveraging cloud technologies, mobile devices, social collaboration platforms, and analytics. We also provide HR business transaction services to offer a Business Process as a Service (BPaaS) solution.

2. **Our Solution:** You can automate employee lifecycle processes including recruitment, competency and performance management, career development, learning, and succession and compensation planning.
1.9.4 Benefits

- Improved employee experience
- Flexibility to balance established heritage with leading practices
- Improved talent utilisation
- TCS Advantage
- Strategic commitment and convergence of expertise
- Reduced cost of technology
- Rapid on-boarding and deployment
- A single point of accountability
- Flexible solution delivery options

1.9.5 Talent Management Bridge

![Talent Management Bridge Diagram]

Fig. 1.13

A Case Study of Facebook’s Simply Amazing Talent Management Practices, Part 1 of 2

By Dr. John Sullivan September 9, 2013

Almost everyone is aware of Facebook. Usually that knowledge comes from either using its social media product or by reading about its CEO. However, the unique aspects of the firm that almost no one is aware of are its distinct and powerful talent management practices.

In most cases, it takes literally several decades to develop an exceptional company that has a unique set of talent management practices that produce phenomenal business results. But occasionally there are exceptions. Apple became exceptional again in little more than a decade after the return of Steve Jobs. Google developed exceptional people management practices and business results in much less than a decade. But Facebook has gone from a college dorm room idea to an undisputed social media dominance in literally less than a handful of years. I’ve previously done case studies on the amazing talent management practices of both Google and Apple and now it’s time to cover the amazing talent management practices at Facebook that result in breathtaking workforce productivity levels.

Here within 15 months of its IPO, the average employee produces over $1.3 million in revenue and $120,000 in profit each a year. The firm’s global product reaches over 1.2 billion users, its stock price has been on a tear, and it has successfully shifted from an exclusively PC web-based platform to
one that instead relies on the rapid growth of the mobile platform. Glassdoor has rated the firm No. 1 for employee satisfaction and its employees rate its CEO No. 1 with an almost perfect 99 percent approval rating. If your firm would like to learn from what I can only call simply amazing and results generating talent practices, read on.

The Top 45 Most Unique and Exciting Talent Management Practices of Facebook

I’ve been visiting and studying Facebook since 2008 (I have no financial relationship with the company). During that time I’ve compiled a list of management and talent management practices* that it has implemented. Most are unique and many have clearly not been directly copied from talent competitors like Google, Twitter, and Apple. My primary contribution in this case study is to provide insight into the business reasoning behind each of its unique practices. The 45 + features are separated into 10 different categories. As you scan through these best practices, see if you don’t agree that they are unique in that they push the envelope.

**Employees are a high value corporate asset**

A powerful business case — of all of the things to remember about Facebook, it is that someone in HR or lower management convinced executives to fund and implement each one of the “crazy” and unique things that you will read about in this case study. Remember that Facebook is no different than any other firm; crazy ideas go nowhere unless a compelling ROI business case is first made to executives.

Quantifying the value of employees — nothing spur executives to focus on talent management like quantifying in dollars the added economic value of having top-performing versus average ones. Facebook (along with Google and Apple) has taken the time to put a dollar value on its employee assets. For example, Facebook’s Director Of Corporate Development Vaughan Smith has estimated that when recruiting, “Engineers are worth half a million to one million” (each). When a single engineer is worth up to $1 million, you strongly invest in recruiting and in increasing their productivity, and you certainly don’t focus on the relatively miniscule cost per hire that it takes to recruit them.

**WOW features that provide employees’ amazing choices**

Extended six-week boot camp onboarding with a choice — most corporate onboarding is a relatively simple and often boring one day “form filling out” exercise (Facebook instead provides the needed paperwork to the employee before they start). Its approach is unique because it is extended over an industry-leading six weeks. And during that time, rather than watching videos and hearing lectures, employees actually work on teams that spend their time working on multiple real projects. And to demonstrate its trust in new hires, during this time boot campers have full access to the complete computer code behind Facebook. Each employee is assigned a mentor. But the most powerful part of the onboarding is that at the end of the process, each employee is asked, “Which team and project within Facebook would you like to join?” This is powerful because when you apply for a job, you really have no way of knowing which team or project would be a best fit for you. I know of no other organisation on the planet that gives new hires a team choice.

Hackamonth self-directed internal movement — at most organisations, getting approval to move to a new job is a complex often political process where the employee has little control. However Facebook’s Hackamonth process is the opposite because it is a self-directed internal movement process. It allows employees who have worked on a project for a year to select their own next project team and after working with them for a month, if they like it, they can stay.

* Note: just like at any firm, benefits and features are continually changing; however, unless noted otherwise, those listed here were current at its headquarters as of August 2013.
It doesn’t just have free food, it offers amazing food

Free ice cream and cookies is a life-changing experience — Google is justifiably famous for publicizing free gourmet food, but Facebook wins the award hands down for the most compelling food. With a relatively young and healthy employee population that doesn’t have to overly worry about its weight, what could be more compelling than a free ice cream store and bakery? A dozen varieties of ice cream, low-fat yogurt, milkshakes, sundaes, as well as cakes, pies, and the absolutely essential cookies, all unlimited and for free. After one visit and without hesitation, I classify this as the No. 1 most compelling “fun” company features on the planet.

Free barbecue — even though the Silicon Valley isn’t in Texas, who doesn’t love barbecue? Facebook’s open-pit barbecue is particularly compelling because it is centrally located, and as a result, the smoke from the barbecue waftles throughout the campus making employees think of barbecue. You simply can’t miss it. Of course the barbecue is free but the best feature is that the BBQ shack is in the middle of an open courtyard, where employees can collaborate while in line and then sit in the California sun and eat on picnic tables and chairs.

A global array of food keeps employees on campus — because its 3,000 + employee population includes a large number of younger people from all over the world, it makes sense that it offers food day and night that fits every “global fast food group.” The last time I was there I had sophisticated French food that was as good as I eat in Paris, and like the French it also bakes all of its own bread on site. But it also offers hamburgers, pizza, and tacos as well as an espresso bar and unlimited snacks throughout the day. Being in California, it of course also offers health food including a salad bar, a juice bar, and sushi, as well as vegetarian and vegan options. Employees clearly take advantage of the free food because its roughly 2,400 employees at headquarters eat an average of 7,200 meals a day. The Facebook Culinary Team accepts food requests from employees and it lets employees know what’s on the menu, using of course a Facebook page.

Happy Hour every Friday — one of the features that seem to startle most corporate people outside of the Silicon Valley is the availability of alcohol at Silicon Valley firms. At Facebook it is available on Friday happy hours and during employee-generated special events. A reason for allowing it at firms is that management simply can’t be credible when it says that it “trusts its employees” if it doesn’t trust its employees to be reasonable in the use of alcohol.

Its management approach focuses on speed and risk-taking

Speed is essential, so “move fast and break things.” — Facebook isn’t unique in that speed is critical to being first to market. At Facebook, management proactively encourages employees to move incredibly fast, even though it will obviously result in some failures. Many firms have slogans, but Facebook goes to the extreme of painting corporate culture slogans larger-than-life on walls throughout the facility, and one of Facebook’s most prominent slogans is “Move fast and break things.” The concept follows the CEO’s idea that “If you never break anything, you’re probably not moving fast enough.” At Facebook, “We’re less afraid of making mistakes than we are of losing opportunities.” Another slogan emphasizes the importance of getting things finished and implemented rather than waiting until they are perfect, and that slogan is … “Done is better than perfect.”

“Be Bold” and take risks — most corporate cultures are risk adverse, and in many cases, to the point where everyone is afraid to fail even once. Facebook is the complete opposite; its culture encourages bold decision-making and risk-taking. Its approach is illustrated by these less-than-subtle slogans: “The riskiest thing is to take no risks,” and “We encourage everyone to make bold decisions, even if that means being wrong some of the time,” and “In a world that’s changing so quickly, you’re guaranteed to fail if you don’t take any risks.” In a world where going first and being innovative is of
course full of huge risks, you have no choice but to find a way to convince your employees to avoid the more common and natural conservative approach.

The strong culture enabled a 180-degree shift in direction — the real strength of any company culture is its ability to change and shift the focus of its employees when the market requires it. The Facebook product has always been a website-housed product that was accessed through a PC. However, you have to credit the CEO and the company culture for quickly realising that the smartphone would eventually become the dominant platform. And in a period of less than two years, the company made a successful shift so that its product is now primarily accessed through the mobile platform and the smartphone. To make the 180-degree shift even more impressive, the advertising revenue from the mobile platform is now becoming a larger part of Facebook’s profit. The culture has also survived the loss of significant revenue from the decreased popularity of Facebook-based games from Zynga.

**A focus on excellence in recruiting**

It is ranked the No. 1 employer brand — Facebook excels at spreading its “best place to work” employer brand image. In 2013 Facebook was listed as the No. 1 employer brand by Glassdoor for having the most satisfied employees. It was No. 1 because its employees are “Challenged every day to do your best work” and “The company’s leadership truly believes in Facebook’s mission to make the world more open and connected.” My research reveals that “doing the best work of your life” and “changing the world” are the top two factors that attract and retain innovators and top performers at any organisation. They received an amazing 4.7 rating out of 5, where the next closest employer is rated 4.5 and talent competitor Google received a 4.3.

Acqui-hiring is a unique corporate practice — I haven’t found a single firm that can match Facebook’s signature recruiting practice of acqui-hiring. Acqui-hiring is where you acquire (usually smaller firms) primarily for their talent, rather than for their products or customers. Until its recent Instagram purchase, almost all of Facebook’s acquisitions had as a primary goal to acquire technical talent. The added advantage of this practice is that you get a whole “intact team’’ that if integrated correctly, can be productive almost immediately. “Acquiring the firm” may be the only way to capture “startup/hacker mentality” talent that wouldn’t on their own ever consider applying for a job at a large corporation, even one as exciting as Facebook.

Obviously it can’t require a college degree — because its obviously successful CEO is a college dropout, it would be glaringly inconsistent and perhaps a little embarrassing to require a new hire to have a college degree. As one of the recruiters put it, “It would be weird for us to require a college degree.” So instead, its recruiting focus is “If you can build awesome stuff and have big impact, that’s all we’re really looking for.” Not requiring a completed degree gives it a chance to land top talent long before other firms, which must wait until after they graduate.

Contest-based recruiting reveals what a prospect can build — Facebook, like many other Silicon Valley firms, relies heavily on Internet-based technical contests to find hidden or “non-obvious” talent from around the world. These relatively inexpensive contests have simple names like “The Facebook Hacker Cup” but they allow the firm to find people based on the problems they can solve, and what you can build is a major corporate focus. Because contestants are initially anonymous, the winners who are targeted for recruiting are selected because of their work and not as a result of their degrees, experience, gender, or where they reside. Facebook also recruits at algorithm coding contests sponsored by others including TopCoder and Kaggle.

Hackathon college recruiting — each year Facebook visits more than a dozen college campuses and while there, challenges self-selected teams to come up with solutions to real technical problems.
The finalists are brought to the Facebook headquarters for “Camp Hackathon,” where their solutions are judged and the winners get a small prize and an offer of a summer internship. The students get to keep their ideas in case they want to develop their own startup around it.

Its CEO as its chief recruiter — most organisations dream of having its CEO occasionally involved in recruiting but Mark Zuckerberg takes it to the next level. He assumes the role of chief recruiter by periodically speaking publicly about the firm and by visiting college campuses in order to directly attract potential recruits from among faculty and students.

Employee referral “Ninja Hunts” — Facebook, like most other Silicon Valley firms, relies heavily on employee referrals to identify top recruits. One of its creative approaches for generating names are called “Ninja Hunts,” where recruiters typically ask a gathered group of employees to think about all their friends to see if some of them would be great engineers for Facebook (where Ninja is their name for an exceptional engineer).

Overall recruiting and retention success — overall, Facebook seems to excel at recruiting as a result of a combination of its powerful product and employer brands. In fact, Mark Zuckerberg recently stated that “We’re doing really well against the hiring goals that we have.” My sources also tell me that Facebook has been able to largely protect its staff from raiding, resulting in a single-digit turnover rate.

**Economic rewards and employee benefits**

Facebook offers unlimited sick days — most firms would never even consider offering unlimited sick days, but if your work is truly exciting, your teammates count on you, and you are rewarded for performance, there are few who want to miss much work for frivolous reasons. There are also few better ways to demonstrate your trust in your employees than to offer them unlimited sick days. Facebook also offers 21 days of paid time off each year (essentially a month off) for even new employees.

Amazing benefits for new parents — Facebook, like most tech firms, struggles to hire and keep women engineers. So it offers close-in reserved parking spaces for those who are pregnant. It also offers “four months paid parental leave for both spouses, reimbursement for some daycare and adoption fees, and $4,000 “baby cash” for a new arrival.

Rewards are based on performance — the goal is for employee rewards to be differentiated based on performance results and from data from its comprehensive coworker feedback process. One internal source estimates that the reward differential between a bottom and top performer at the same level can be up to 300 percent. Nothing sends a clearer message to employees that performance matters (over status and tenure) than a large percentage differential between top and average performer rewards.

An opportunity for wealth — although the firm appears to offer competitive salaries, the prime economic incentive are Restricted Stock Units, which keep employees focused on producing business results. And that business results focus also encourages cooperation and sharing with among employees. Everyone seems to agree that employees get generous RSUs as part of their regular pay package and as bonuses. Obviously many employees got rich as a result of the IPO; however, the opportunity for wealth still exists because the stock now exceeds the IPO level and its value has been growing at a rapid rate.

It encouraged workers to drop by at any time — one of the most compelling work-increasing “benefits” that I have ever come across occurred at Facebook in its early years (2008 – 2009). Facebook paid its employees $600 each month extra for living within a mile of Facebook headquarters.
The goal was to subtly encourage employees to live close by so that it was easy for them to casually drop in for free food but also for extra work and collaboration. The unintended impact on dramatically raising rents around its Palo Alto headquarters was one reason for eliminating this practice in 2009.

Dr. John Sullivan

Dr. John Sullivan, professor, author, corporate speaker, and advisor, is an internationally known HR thought-leader from the Silicon Valley who specialises in providing bold and high-business-impact talent management solutions.

### 1.10 Questions

**Review Questions**

1. What is a talent and what is talent management?
2. How can a company find talented individuals?
3. What can a company do to attract talents?
4. What can a company do to keep talented individuals within the company?
5. How can knowledge sharing enhance Talent Management?
6. What are the advantages with Talent Management?
7. What are the possible problems with Talent Management?
8. What Role of Talent Management in building Sustainable Competitive Advantage to an Organisation?

**MCQ**

1. The production base of advanced Western economies is evolving from a focus on industry to a focus on knowledge and service. This has contributed to a shift in what is recognised as an organisation’s primary source of competitiveness. The key resource in this new environment is _______.
   (a) Geography (b) Machines (c) Capital (d) People

2. Each of the following is characteristic of the ‘new way’ of employee recruitment, with the exception of _______.
   (a) All managers, starting with the CEO, are accountable for strengthening their talent pool
   (b) We treat everyone the same and like to think of everyone as equally capable
   (c) Recruitment is like marketing
   (d) We fuel development primarily through stretch jobs, mentoring and coaching

3. Which of the following can be considered factors in the new mindset for talent management?
   (a) A deep conviction that better talent leads to better corporate performance
   (b) Talent management is a central part of how we run the company
   (c) I take bold actions to build the talent pool that I need
   (d) All of the above

4. According to the McKinsey report, talent management is increasingly becoming a role that CEOs must participate in. As such, they suggest that leaders must undertake each of the following, except for _______.
   (a) Delegate this task where possible
   (b) Instill a talent focused mindset within the organisation
   (c) Invest real money in talent
   (d) Be accountable for talent management
5. According to the ‘Hard’ approaches to HRM, the focus should be on ________.
   (a) High performers  (b) Low performers  (c) Solid performers  (d) None of the above

6. In restructuring a recruitment strategy in the emerging labour market, a critical issue for managers is to be able to understand the ________.
   (a) new workforce  
   (b) overall HR strategy of the company  
   (c) trends in the industry  
   (d) All of the above

7. Which one of the following statements is INCORRECT?
   (a) Talent management, which incorporates the cooperation and communication of managers at all levels, has become an imperative in the face of today’s business challenges.
   (b) Talent management processes must be more strategic, connected and broad-based than ever before.
   (c) By assessing available talent and placing the right people in the best roles, companies can survive and thrive in today’s increasingly competitive environment.
   (d) Succession planning and training and development has no influence on talent management.

8. Organisations must develop their talent at all levels and weave it into the ________.
   (a) strategy  
   (b) policies  
   (c) culture  
   (d) structure

9. Which one of the following is applicable to the new talent mindset?
   (a) HR is responsible for people management
   (b) Taking bold actions to build the talent pool needed
   (c) Doing a two-day succession planning exercise once a year
   (d) Working with the people inherited by the organisation

10. The following have all been highlighted as important aspects from the employee’s perspectives when looking at companies to work for, except ________.
    (a) High performance is promoted
    (b) The company is well managed
    (c) Good relations with the boss
    (d) Work employees feel passionate about

**Sample Talent Management Questionnaire**

1. How many employees does your organisation have? 

2. Do you experience high employee turnover rates in a year? 

3. Are you recruitment methods efficient and suitable? 

4. Is your organisation losing some of its best employees to your competitors? 

5. Does the HR department use the most effective and efficient system? 

6. Is your organisation attracting the right kind of personnel that will help it grow? 

7. How does the company plan to help employee development? 

8. Do employees know how to get into the talent pool? 

9. How easy is it to enter into the talent pool? 

10. How much risk is the organisation willing to put into the talent pool?

**Answer Yes or No**

Quite easy * Easy * Difficult * quiet difficult

1. Who is in the talent pool?

2. Just a few people * Everyone

3. What level of support do you provide to your talent pool?

4. How transparent is your talent management system?

5. How much risk is the organisation willing to put into the talent pool?
6. How does the organisation enhance talent progress?
7. Differentiated route * Accelerated route

**Talent Acquisition Questions**

1. Are our recruiters embodying (and promoting) our employer branding?
2. How well does our talent acquisition department know what our employment brand and employee value proposition are?
3. Are our recruiters/HR generalists sharing valuable content about our “Brand” i.e. its culture, values, mission, goals, benefits, training, etc. on social media?
4. How are we showcasing our hiring managers? And their attributes?
5. Are we showcasing our firm’s opportunities? On our careers page? Our Facebook page? Our status updates?
6. Is talent acquisition truly working with other corporate departments in delivering the employer branding?
7. Are all company interviewers trained to sell our employer brand?
8. How – specifically – are our business leaders delivering on our employer branding promise and our employee value proposition?
9. Is our on boarding, induction, orientation processes showcasing and highlighting our firm’s employer branding?
10. Are we working with our in-house employee groups to improve our candidate experience and on-boarding programs?
11. Are we showcasing our employer brand on college campuses with our interns and with our University employee contacts?
12. What influence does our employer branding have on a candidate’s decision to join our company?
13. What are our current employees saying about our employer branding on review websites, such as Glassdoor?
14. What do our alumni say about our employer brand? What’s our percentage of boomerang hires?
15. What are candidates who “turn us down,” saying about our talent acquisition department and our employer branding?