CHAPTER-1
INTRODUCTION

1.1 Introduction

The term Talent Management is a dynamic term as its meaning and application varies from organization to organization based on the factors like mission, vision, talent creed and talent strategy of the organization. Often, most of the organizations commonly use the expression ‘people are the greatest assets of our organization’ but the term Talent Management is much more than mere lip service as in contemporary times it is being predicted that ‘the Human Resource Departments’ might ultimately be replaced by ‘Talent Management Departments’ as the focus on the term ‘Talent Management is more now than ever’. Dale Carnegie and William J. Rothwell from the Pennsylvania University, have published in their white paper about the meaning of the term Talent Management and what model delineates the important components of Talent Management.

“Talent Management as a term has different meanings, for some, it may mean same as Succession Planning but for others it may mean an integrated process which includes attracting, developing, and retaining some of the best people. While for many others, it might mean integrated set of efforts put together to integrate all the essential components of the organization and its human resource system”. The best advice is given by Krueger, 2007; Rothwell & Kazanas, 2003 which is that for coming up with a definition of Talent Management would be to define it according to the needs of the organization which are unique in nature.

According to Hansen (2007) the term Talent in an organization points to the leaders and the main employees who drive the business to greater heights and forward. The category of such employees is that of leaders and top achievers who happen to influence the performances and behaviors of other individuals in the organization. Therefore according to Berger & Berger (2004), talent represents the 'core employees' which constitute a small percentage in the organization and talent also means the core competencies of the organization.
According to Laff (2006), Talent Management is no longer just a new fancy term that can be used for merely finding, developing employees instead it incorporates all the functions of Talent Management across different levels of the organization. Cunningham has taken up a different view of Talent Management, as in, he has considered Talent Management as a dynamic unit, an ever changing dynamic interaction that occurs between many processes and functions within an organization. And hence Talent Management can be looked upon as an ongoing, never ceasing and more of 'proactive' activity. Schweyer (2004) has also agreed upon the nature of the Talent Management to be that of 'proactive' and 'dynamic'. This it clearly indicates that Talent Management can be looked upon as a proactive activity. Adding to this, Hartley (2004) has pointed out that Talent Management is a wider term incorporating wider set of activities like HR planning, Succession Planning, Employee Performance Management etc.

Another viewpoint has been illustrated by Boudreau and Ramsatd (2005), who had also pioneered the term Talentship, is that they focused on decision science behind Talent Management. This deciding science caters a reliable, consistent and a logical framework that escalates awareness about the decisions being made regarding key resources in the organization. They also discussed the possibility that Talentship helps in evolving an organization because as the Talentship will evolve, it will also evolve organizations to achieve more and more success. This success will be achieved not only through HR practices but by the qualitative decisions that would be made regarding the talent pool of the organization.

Laff and Uren (2007) added another element that is critical to the success of the organization, i.e. commitment. Commitment must be attained from all the levels of the organization and not only from HR department in order to cater to the process of Talent Management. Because if Talent Management is applied only to the Human Resources Department, then it will stay too far from the other functions and market as well and will be unable to react to changes occurring in external environment. Laff (2006) also put forward the thought that who shall be considered for managing talent in the organization. Because Talent Management came to the forefront when the phrase 'war for talent' had
emerged in the late 1990s. The need for talent and the management of talent is also driven and influenced by macro trends that affect the whole process of Talent Management majorly. Some of the macro trends include:

a. Depending on the cycle of the business growth, an organization 's requirement of talent differs and a careful consideration must be given to be equipped with right kind of talent for changing times.
b. Demographics change the workforce needs and affects the labor pool needs. At critical times, the talent squeeze might happen.
c. The changes in economic conditions require organizations to segregate their talent and Talent Management process.
d. The organizations must be careful about the emergence of the new organizations that might be able to suck the talent from bigger organizations by producing alluring offers.
e. The growing focus on leadership which permeates through very many levels of the organization. Leadership has always played a crucial role in the organization as it is responsible for inculcating desired performance patterns from the employees in the organization.

Thus it is said that nothing new has emerged about the term Talent Management apart from the fact that a more coherent view of the term Talent Management has emerged which describes how different process should be meshed together along with the focus on an overall objective to nurture and acquire new talent, wherever it is and whenever it is needed for the growth of the organization. The various independent practices and policies need to comply with it as well and this Talent Management could very well be summed up as a 'bundling' of various other activities in action.

According to Michaels (2001), Talent can be seen as a person who seems to possess the various forms of talent rather than skills and capabilities alone, that they might excel in. Specifically in reference to managerial positions, talent can be seen as a code for most efficient managers and leaders throughout the organization who are responsible for assisting the organization to achieve its goals and also further increase its performance. Therefore managerial talent can be looked upon as some kind of combination of
leadership abilities, possession of a skillful strategic mind, emotional intelligence and maturity, communication skills and abilities, the skill of attracting and inspiring all other talented people around, having instincts of an entrepreneur, various functional skills and also, the most importantly the ability to accomplish results.

Aston and Morton (2005) have argued that there is not a possible single or a consistent, concise definition of Talent Management. But Lewis and Heckman (2006) argued with this criticism and mentioned that there are three key streams of thoughts pertaining to Talent Management. The first stream of thought is only for those who simply constitute the label of Talent Management in lieu of Human Resource Management. The second stream of thought revolves around literature that focuses on developing talent pools and also on projecting the various staffing needs of the organization. It also aims on managing the progress of the employees throughout different positions in the organization. The third stream of thought dwells on the management of all the talented people in the organization. Relating to the third stream of thought, and mentioning about performers, Smart (1999) has argued that all the roles within an organization must be filled with 'A performers', referred to as 'top-grading' employees as well and the management should be done of 'C players' or employees who are continuously performing poorly.

Some other Strategic Human Resources Management scholars like Lepak and Snell (1999) have adopted another focus on the theory development regarding Talent Management which emphasizes on the idea that employees contribute to the strategic objectives of the firm. Boxall and Purcell (2008) have mentioned that the human capital remains of little or no significance until and unless it is used for the implementation of the organization's strategic intent thereby representing the culture and ethics of the organization. The term 'pivotal talent pools' is referred by Boudreau and Ramstad (2005) to refer to the key roles in an organization that differentiate performance in the company.

Sparrow (2007), in simple terms have mentioned that the term Talent Management has moved from the 'vacancy lead recruitment' to doing ‘recruitments ahead of the curve'. This indicates clearly that importance was given to succession planning tradition. This
also includes the proactive nature and identification of incumbents who have the ability to fill in the key positions which might be made available in the future. Stahl et al's (2007) have put forward a global Talent Management study that confirms that most of the high performing organizations that were studied in the research were following a strategy of talent pool, i.e. of finding and recruiting the best people and then finding the best positions of them.

The nature of the job affects the performance of the employees because Hackman (1975) has described in his research that when the nature of the job is complicated, then it becomes more engaging for the employees. Complex nature motivates the employees more and leaves them more satisfied when they finish the tasks given to them. This in turn also enhances their productivity. This research is supported only when there are already high performers in the organization. If the high performers are put in menial jobs, then the productivity of the employees will come down majorly. Therefore the need arises for the organizations to deploy Strategic Talent Management systems that can elicit desired set of behaviors from the talent pool of the organization and assist in realizing the strategic objectives of the organization.

Campbell (1993) seconds the fact that performance must be viewed as a set of behavior that is relevant to achieving the objectives of the organization. There is another very well entrenched field of literature in HR tradition, which believes that antecedents of individual performance must be looked upon in the organization. Vroom (1964), Blumberg and Pringle (1982); Campbell et al (1993); Murphy (1996) and Neal and Griffin (1999) have also supported this belief. To look upon performance as a function of capacity, willingness, and opportunity to perform was posited by Blumberg and Pringle (1982).

Silzer and dowel (2010) has defined talent as those individuals or groups who possess strategic competencies which can in turn enable a company to attain its both short term and long term goals and objectives. These individuals or groups often present the competencies that have the capability to add more value to the customers and while doing do this will help differentiate the organization from its competitors. While according to
Turner et al (2007) talented individuals are those who tend to make the maximum difference to overall organizational performance by either immediately contributing or in the longer term by demonstrating a high potential. Pepermans (2005) has defined talent as an individual who possesses the will, the ability, and the commitment to be successful and to grow more in key positions.

Williams (2002) has taken a different view while defining the talented people. According to him, talented individuals are those people who are regularly demonstrating exceptional abilities and achievements over a range of various activities and situations either within a specialized or a narrow field of expertise. The consistence that they display in their performance and in high competence areas displays their ability to thrive through situations where they are yet to tested and proven highly effective. This brings us back to consider Michaels et al (2002) definition of talent, where he has quoted that talent is a sum of a person's skills, intrinsic gifts, abilities, experiences, knowledge, intelligence, judgment, character, drive and ability to grow. This definition of Michaels et al. is one of the oldest one and it can seen as a founding stone for many other definitions that are mentioned above. Most of the definitions include some part of this definition in their research. On the basis of the definitions studied so far it could be drawn from them that most of the definitions of talent include the following terms:

a. competencies
b. performance
c. motivation

There are differences in the way that the many authors have defined talent. The definitions of Turner (2007), Silzer (2010), and Pepermens have defined talent on the basis of what talent can do for the organization. While on the other hand, definition of Williams (2002), Dessing and Lap (2004) focus on the individual itself and what kind of capabilities they possess and also their behavior. Although defining talent seems like a challenging and a rather problematic business as there are so many perspectives to it differing from organization to organization, and yet research conducted by Towers Perrin has shown that 87% of the participants who joined the research have confirmed the fact that there is a consistent definition of talent being used consistently in their organization.
However, not a single company which participated in the study used the same definition of talent. Thus according to Towers Perrin (2004), the definition of talent depends on the business strategy adopted by the organization and kind of business the firm is in, business environment etc. Focusing on the organization’s nature, Ford, Harding and Stoyanova (2010) have stated that definition of talent must be organization specific as it is highly influenced by business context, the nature of work, the industry and the dynamics of the organization. Thus definition of talent differs from organization to organization. McCartney and Garrow (2006) have defined talent as involving wide range of stakeholders to discuss and share their thoughts on what talent should mean for the concerned organization and thus work upon creating a shared definition of the talent.

Another newer perspective of defining talent can be seen through the lens of a learning organization. Today an organization does not stand alone; it gets affected as per the changes in technology and dynamic external environment. In such a case, when the organization is constantly coping up to be equipped with the best and latest technology, keeping its human capital updated can cost a great deal, although knowledge creation is one of the essentials for the growth of any organization. The idea of a learning organization is thereby becoming important by the day as the focus is growing more and more on knowledge creation and employee enhancement.

1.2 Talent Management as a Learning Organization

A Learning Organization can be classified as an organization which is able to transform the thought process of its employee’s and the way they behave in the organization and as a part of the organization. There are numerous number of organization focusing solely on Talent Management and its various aspects but they end up provoking or inciting the same patterns of behavior from their employees as a result of negligence to be able to produce change, thereby, dysfunctional behaviors are repeated over and over again. One of the examples of this would be restructuring initiatives and how they repeated time and again because the first time they are implemented they are not being able to produce the desired change and hence are implemented again and again to meet the initially set objectives.
The management of talent in a learning organization although can be gauged by the usage of some metrics and its evaluation can also be done which might be relevant in creation of learning environment that can serve some or all of objectives of the organization. The definition of a learning organization is primarily linked with two main terms i.e. knowledge acquisition & performance improvement. One of the philosophy that drives a learning organization is that individuals are made accountable for their own actions by taking responsibility more actively. Throughout these years, creating and preserving knowledge is becoming an important tool responsible for accelerating and enhancing the competitiveness and increasing organizational capabilities that could prepare the organization to respond to market changes in such a way that the employees are able to deploy their skills and personalities to the best of their capability in order to deliver a high performance level. (Bryan, 2004).

Thus literature also supports the fact that by creating knowledge in an organization, organizational performance is also enhanced. Also, to identify and develop executives who possess leadership potential, like every other important strategic function remains a demanding process that is equal in parts to Arts and Science (Judy Klein and Stephen A. Miles, 2003). Communication abilities also take up major area for improvements in an organization as most of the talent-intensive organizations also require soft skills that facilitate execution across departments. The most difficult or engaging task starts only after the employee has been hired as it’s no longer about hiring the right person for the right job but it’s mainly about retaining them. Since organization is often stuck in a confluence of a changing and complex operating environment, focus to manage talent better and efficiently becomes critical.

Concepts like leaders developing leaders, developing key potential employees, granting more autonomy at work etc points at the scarcity of a process that could ensure that employees would not leave the organization even after getting ample opportunities of Training and Development.

A Learning Organization also develops leadership throughout the various levels of the organization. Thus when organizations adopt this approach, both in public as well as private sectors they find that responsibility of individuals increase to a greater level and
their sense of accountability becomes more transparent and clearer. Maguire & McKelvey (1999) found from this approach an interesting fact that distributed leadership is developed where individuals start acting as true agents responsibly working towards the shared vision of the company by taking initiatives that will ultimately fit through the objectives of the organization as well.

Learning Organizations are skilled at five main activities: systematic problem solving, experimentation with new approaches, learning from their own experience and past history, learning from the experiences and best practices of others, and transferring knowledge quickly and efficiently throughout the organization.

However, there is a greater confusion with regards to the meaning of Talent Management as there are many perspectives to it. The meaning of the term Talent Management is constantly subject to change as it develops and struggles in a dynamic environment. There is much confusion concerning the meaning of Talent Management, its terms and the contrary assumptions made by various authors within the Talent Management arena (Lewis & Heckman, 2006).

Lewis and Heckman (2006) identified three key streams of thought around the concept of Talent Management. First, those who merely substitute the label Talent Management for human resource management. Studies in this tradition often limit their focus to particular HR practices such as Recruitment, Leadership Development, Succession Planning and the like. The contribution of this literature is relatively limited beyond the strategic HR literature, as it largely amounts to a rebranding of HRM. A second strand of literature emphasizes the development of talent pools focusing on “projecting employee/staffing needs and managing the progression of employees through positions” Lewis and Heckman (2006). Studies in this tradition typically build on earlier research in the manpower planning or Succession Planning literatures. While adopting a relatively narrow focus, studies in this tradition at least provide a degree of differentiation as to what Talent Management is vis-à-vis HRM. The third stream focuses on the management of talented people.
This literature argues that all roles within the organization should be filled with “A performers”, referred to as “top grading” Smart (1999) and emphasizes the management of “C players”, or consistently poor performers, out of the organization Michaels, Hadfield-Jones and Axelrod, (2001). While the third approach is highly influential, we recognize limitations to this approach and argue it is neither desirable nor appropriate to fill all positions within the organization with top performers.

Equally, if the Talent Management system is applied to all of an organization’s employees (i.e. including poor performers as well as top performing employees), it is difficult to differentiate Talent Management from conventional Human Resource Management. Talent Management is management’s main priority (Michaels, Handfield-Jones, H. & Axelrod, 2002). Talent Management is a “conscious and deliberate approach undertaken to attract, develop and retain people with the aptitude and abilities to meet current and future organizational needs” (Derek Stokley)

Talent Management, also known as Human Capital Management, is the process of recruiting, managing, assessing, developing and maintaining an organization’s most important resource- i.e. its people Bhatla (2007). Talent Management initiatives must involve dialogue and engagement with business in order to hire, retain and develop the talent that is needed to achieve the business goals (HR Focus, 2008).

According to Christonel (2002), “New Value Systems will converge and reinforce each other, creating a company capable of winning big.” So as per knowledge infusion, Talent Management is defined as the integrated process of ensuring that an organization has a continuous supply of highly productive individuals in the right job at the right time.”

Quite often, of late organizations are adopting a Talent Management approach and are focusing on co-coordinating and integrating various aspects, such as: Performance Management, Learning and Development, Employee Engagement, Workplace Management, Infrastructure, and Contemporary People Policies.

1.3 Factors Driving the Current Emphasis on Talent Management

The organizations have been talking a lot about the link that exists between great employees and organizational performance for a long time. But there is a greater focus on
management of talent.

There are many drivers that are fueling this focus:

1. **The demonstrated relationship between better business performance and better talent**

   The organizations seek to quantify the returns on the investments made on talent and the result is the body of ‘proof’ which paints a strong image about the impact of the talent on business performance. Some of the studies highlighting this fact includes:

   - A 2007 study from the Hackett Group had found that companies that excelled at managing the talent post earning that are 15 percent higher than peers. For an average Fortune 500 company, such an improvement in performance means hundreds of millions of dollars.
   - A study from IBM found public companies that are more effective at Talent Management had higher percentages of financial outperformers than groups of similar sized companies with less effective Talent Management.
   - A 2006 research study from McBassi & Co revealed that high scores in five categories of human capital management (leadership practices, employee engagement, knowledge accountability, workforce organisation, and learning capacity) posted higher stock market returns and better safety records - two common business goals that are top of mind for today’s senior leadership.

2. **Talent is a source of Value Creation:**

   The financial value of a company depends upon the quality of the talent which attributes to the physical assets of the average companies value and also to the intangible assets such as intellectual property, brand etc.

3. **Business Context is more Dynamic and Complex**

   As there is an increase in competition, it has become difficult to maintain a long term competitive advantage over the other, as small businesses and new products have short business cycle which demands constant innovations, thereby, enabling technology to play
a greater impact for the accessing of the information and forcing the company to move according to the business.

Apart from technology, the company depends upon the new dimensions as to how to manage talent while having business at various worldwide locations and providing more lower engagement and avoiding additional challenges to manage talent.

4. **Higher Expectation of Boards and Financial Markets**

As the CEOs are under the direct supervision of Boards and Investors for creating values amongst the various levels in the organization, thereby creating a pressure not only at the CEO level but has a drastic influence at the various levels felt up and down the organizational chart. Thereby, driving a growing emphasis over the quality of talent.

5. **Changes in Employee Expectations**

Along with the employer, the employee expectations are also increasing which forces the organisation to place higher stress over Talent Management practices and strategies. Several expectations of the employees these days include, interest in having challenging roles at work, loyalty towards work than only for organization, work-life balance, taking ownership of their career development. In response to the myriad challenges it becomes difficult to contain both the ‘minds’ and ‘hearts’ of the present work-force.

The July’08 study of IBM and Human Capital Institute highlights that 56% of the financial performers address and understand employ engagement. Thus this study like many other studies once again proves that cultures within the organizations are important in attracting and retaining key talent.

6. **Evolvement of Work-force Demographics**

Today organizations have waged a new ‘war for talent’. About 60% of workers above the age of 60 are electing to delay their retirement because of the financial crisis, as quoted
by a 2009 survey of CareerBuilder. Most of the employees hold the top positions taking away the opportunities from the lower level talent and leaving younger workforce to feel stuck at their current positions.

1.4 Processes that are a part of Talent Management System

a. The following systems can be included as a part of Talent Management Process according to the overall business strategy of retaining and recruiting Talent:

1. Recruitment Planning
2. Job description
3. Recruitment Location for posting
4. Applications Review
5. Conducting Interviews
6. Credential and Background Review
7. Providing the Job Offer to the selected applicants
8. Agreement on Amount Offered
9. On-boarding process of new employee
10. On-the-job Training
11. Goal Setting
12. Coaching and Relationship with the manager
13. Feedback regarding Performance and Appraisal
14. Monitoring Employee Development
15. Career Pathing and Development
16. Promotions and Transfer outside or within the same office
17. Employment Termination as per the organization needs.

The majority of the work systems are with the employee regardless of the employee’s manager. The Human Resource Development within an organization provides training and support to new employees but the success of an employee comes from the manager who is involved in a day to day interaction with the employees. The manager ensures that the new employee’s success come from his or her active daily interaction with the
manager and to further develop with their talent and to help them to achieve their overall recognition in the organization.

Talent Management is a business strategy which involves each and every employee as it is a job of every member of an organization to attract and retain the talented employees so as to achieve the overall business of an organization. In order to have an effective succession planning, the organization ensures that the best talent is further trained and is ready to take over the next position in their career path which will further benefit the organization. The various managers of the organization promote the employees with best talent for their grooming for their next big role. The Talent Management System requires the Human Resource System to track the career paths of the talented employees and to manage the opportunities available to them. This is done by conducting Talent Management Review meetings among the various departments of the organization and considering talented employees and making their knowledge, skills and potential known to different managers and their potential use and development of their internal talent for both the organization and the talented employees.

b. **Talent Matrix**

Talent Matrix is simple and a powerful tool which consists of nine-box which is used for placing an employee according to his caliber which includes his performance, his identification within the potential employees and his ratings across various teams based upon the performance trends that might be hidden. The following are the steps for building Talent Matrix.

The nine-box compares performance and potential of an employee to help the organisations to identify the talent and thereby to make succession decisions. With the nine-box, it was flexible for the organization to get creative and compare any performance dimension against another in order to identify missed opportunities. There are other ways to use the nine-box, which includes comparison between goal vs. competencies and comparison between company values vs. goals and/or competencies.
The Talent Matrix basic format comprises of the X-axis (horizontal line) with three boxes assessing leadership performance and the Y-axis (vertical line) with three boxes assessing leadership potential. A combination of X and Y axis makes up the box within which a grid is made where the leader is placed.

It is used to simply assess any number of leaders on two important aspects. It is also used to facilitate a senior leadership team based upon the expectations and the ratings of an employee with respect to the multiple perspectives for much more accurate assessment as compared with one person’s opinion. It also facilitates a sense of ownership for organization’s talent pool for identifying the development needs and the transitions required for the development planning.

The best way to use the tool is to prepare a team facilitated by an employee who has experience with the process. The tool is presented to the team so as to ensure that every member of the team understand and buy in to the purpose and process of the tool.

The best way to use the tool is to decide in advance that how performance and potential would be assessed as per the criteria. It involves assessing any relevant information and also the managers to whom the employee reports and the manager assess with respect to the employee’s performance and potential for the completion of the grid. After that everything is consolidated with all the names of the employees to one grid and thereafter a discussion is done. It’s easier for putting someone in 1A box (highest performance and potential) where it could be a little disagreement for the same.

Thereafter the others are invited for comments as to why someone should or should not be placed in 1A box and another name is picked up which could be set up as the benchmark and accordingly the others can be placed in the boxes adjoining the box with the highest performance and potential. The team can further discuss the development plans for each leader but for the succession planning, the focus is made upon the upper right hand corner boxes (1A, 1B and 2A) i.e. the employee’s with high potential pool.
The next step is to follow up on a quarterly basis to review the development plans and further the assessment process must be conducted as per the organization requirement.

Step#1 Building Blocks

Earlier employee performance was considered as the main driving factor in determining succession, rewards, recognition; but recently the more importance is given to employee potential while creating development plans and performance strategies. There has been a major difference between the high performance and high potential employees, whereas high performers give an immediate return on investment with as much as 100% increase in productivity over average performers. High potential employees are those who demonstrate high level contributions to organizational values and to get identified within a given time frame with a potential to assume greater responsibility.

Though it is difficult to measure the potential of an employee, but it can be found by asking key questions related to the character, performance, motivation, capability of employee’s so as to calculate the accurate potential score. It depends upon the organization to identify the potential through appraisal form or by using separate survey through managers. Here are few questions that can help to gauge employee potential:

a. Is the employee capable to perform at a higher level, in a different position or to take further responsibilities for the upcoming year?
b. Is the employee capable to perform at a higher level, in a different position or to take further responsibilities for the next three years?
c. Is the employee capable to perform two level above the current level in the next coming years?
d. Whether the organization seeks growth in skills and competencies of the employee in the coming years?
e. Is the employee capable to learn additional skills and competencies so as to perform at a higher level?
f. Is the employee comfortable in interacting with other employees at different levels in the organization?
g. Is the employee interested in getting the opportunities for the learning and development?
h. Is the employee flexible and motivated enough to move to a different job than his current job?

Based on the calculations, a list of performance and potential scores is created and accordingly, the employee’s scores are calculated.

Step#2 Build
After building blocks i.e. taking the data regarding the various employees, the results are inserted into the nine-box grid in order to plot a relative view of employees for each department and for the organization.

Source: web link
1.5 Silicon Valley principles of Talent Management

CEOs of all major industries in US, eventually have to look to the support of innovation in the Silicon Valley for the ways in increasing innovation by managing superior people of the organization. The Silicon Valley has established set of principles proven for effective management of people and innovation. As we know that Talent Management principles are more effective in the present workplace scenario and firms like Apple, Google, and Facebook, who innovate at a breathtaking speed and work according to the Silicon Valley principles as these firms are the most valuable firms in the world.

The firms who want to lead in their industry without the impact of their location need to follow the Silicon Valley principles of Talent Management as these principles help to operate at a dramatically different approach in comparison to traditional risk adverse approach which is used by various firms in HR.

These Silicon Valley Talent Management principles are separated into three categories.

A) Talent Management principles that apply across every aspect of the firm

The most impactful talent principles are:

1. Quantify Talent Management’s impact on strategic goals
2. Innovation dominates
3. Speed contributes to innovation
4. Collaboration contributes to innovation
5. Rapid learning contributes to innovation
6. Freedom must be expanded
7. Learning from failure is essential
8. Adaptiveness is essential
9. Next, maximize workforce productivity
10. A focus on top performers
11. Prioritize Talent Management’s targets
12. Talent Management provides a competitive advantage for your firm
13. Have a War for Talent recruiting mentality
14. The two brands both emphasize innovation
15. Influence over command and control
16. Transparency is essential
17. Teams dominate
18. Best-practice sharing
19. Global capabilities
20. Aim-ahead benchmarking

**B) TM principles that apply primarily within the HR function**

The most important talent principles in this section are listed first.

1. Success in Talent Management is defined as maximizing productivity and innovation
2. A shift to data-based talent decisions
3. Manage a performance culture
4. Prove talent-management programs work
5. Prioritize talent programs, based on their impact
6. A continuous updated talent-management business case
7. Talent Management must take calculated risks
8. Talent Management must be forward-looking
9. Team/manager performance must continually improve
10. Borrow from business functions
11. Managers do most HR
12. In-house consulting
13. Employer brand management
14. A focus on quality
15. Diversity because of its business impact
16. A whole career focus
17. Respect a manager’s time
18. Technology dominates
19. Centralized Talent Management
20. The capabilities of the talent-management staff must change

**C) TM must minimalize these traditional approaches**

1.6 Theories of Talent Management

The two most popular theories on Talent Management were brought forward by the researches of review of literature of Bhatnagar, 2008; Frank & Taylor, 2004; Glen,2007;
Weatherly, 2003; and so forth. The first one is given by Forman (2005) and the second one is given by Romans and Lardner (2005). These theories differ from the rest of the theories in the way that they focus only on Talent Management. While, Forman has reviewed the existing findings about Talent Management, on the other hand, Romans and Lardner have taken up a case study for the intervention. Forman had proposed that the cycle of Talent Management actually contains the following levels or stages:

a. workforce planning
b. talent acquisition
c. talent development
d. talent deployment
e. talent retention
f. talent evaluation

The summary or the gist of the model could be understood by understanding the above mentioned stages, the first one, that is, workforce planning covers the capability of the organization to be able to fully use its talent resources that are available within the organization with skillfulness aiming to inspire and introduce the talent planning process. The talent planning process tends to support the linkages between culture, organizational processes and strategic directions.

The second stage, that is, talent acquisition refers to the process of enlisting, drawing and choosing the best talent from the resource pool of the organization. While third stage, talent development means using both formal and informal training, improving communication chain within an organization across different levels of the organization, employee development etc.

Talent deployment means employing the correct person for the correct job at the correct time and to give the employee’s a chance so that their potential can be fully utilized for the organization (Forman, 2005). Talent retention means that talented people are given
proper chances for their personal growth while they invest their time and energy in making the organization grow more and more.

Talent evaluation simply refers to the fact that the performance of the employee is continuously monitored and measured so that the potential is measured correctly and accordingly, ample opportunities are given to those employees who are performing beyond the expectations.

The second theory given by Romans and Lardner (2005) gives a theory of Talent Management process that contains six phases. All the phases have distinct practices and aims. These phases are:

a. Business Analysis and Profile Development (Phase One),
b. Identification & attraction (Phase Two),
c. Orientation & Acquisition (Phase Three),
d. Assessment, Coaching & developing (Phase Four),
e. Rewards, retention & motivation (Phase Five),
f. Promotion & Transition (Phase Six)

In the first phase of Business Analysis and profile development, transformation endeavors begin and talent profiles which focus on internal abilities are developed. The second phase of Identification and Attraction puts forth that recruitment must be done continuously according to the whole-system foundation. The third phase focuses on extending the talent pool of the organization and when the talent is recruited, they must be oriented properly by being introduced to the philosophy of the organization which includes an organization’s vision, culture and values.

The fourth phase ensures that skills are developed on each level and that skill development becomes an essential practice of the organization. The fifth and the sixth phase of the organization are all about incentives and how incentives must be prominent, that the pay is awarded according to the employee contribution and that annual reviews of the performances are done and employees are properly being motivated by conducting
proper employee motivation surveys. The implementation of this theory required revamping the entire company thereby producing a complete transformation of the organization’s culture.

This theory of Forman is based on The McKinsey (1998) study containing 6000 executives wherein it was found that only 23% of the executives felt that their organization was capable of attracting the best talent. While only 10% believed that they could retain the best talent and furthermore only 16% of the executives knew who their organization’s talent comprised of (Michaels et al., 2001)).

1.7 Talent Management Models

A. Rothwell, 2005; Aula, 2006: A Model delineating the essential components of Talent Management

(Rothwell, 2005; Zula, 2006) held that a good Talent Management system must be guided by a roadmap, that is capable of integrating all the components of organization. The future above depicts an example of a roadmap for Talent Management.

Step-1: Get Commitment

The Talent Management program will work with the support of the senior executive team and especially with the guidance of the CEO as Talent Management can be said to be CEO’s program rather than an HR program. CEO is considered the main customer and constituent. The other main steps which are required to gain commitment are:

a. Based on the business needs, communicating and clarifying the need of a talent program for the organization.

b. To enlist the quantifiable results derived from the talent program

c. Gaining the entire support of the senior executive team and CEO for the talent program.

d. Working on the actions and steps needed to be pursued to fulfill the talent program
e. Clarification of the roles, positions and behaviours desired from middle managers, top managers and HR Department.

f. To establish ways that can help hold people accountable for the work done by them and their contribution towards attainment of organizational objectives.

Therefore a talent program must be made clear so that it can help prepare people for promoting themselves stop higher areas of responsibility within their organization.

**Step-2: To Find Out What Talent Means, analyzing the People and the Work Now**

It would be practically impossible to apply a Talent Management program without specifying people about the kind of work they need to do and also to identify who needs to do what and also what kind of people will be successful at doing that work. The analysis of work is done by carrying out work analysis, as in, checking if the job descriptions summarize well the work that needs to be done. Also its critical to explain the kind of activities and the desired results expected from the people. Competency modeling is used to analyze the profiles of people who are performing successfully in every department and or at every level. Therefore a competency model describes the adequacy of people, and stands as mirror images of the job that needs to be done. Thus also to determine the meaning of talent the leadership in the organization needs to define and establish criteria for talent. There are individuals who can be put under different categories like, high potentials (HiPos), high performers (HiPers), and high professionals (HiPros). The traditional Talent Management programs are said to be more focused on developing the competencies of people they can groom or consider to be promotable while the resent day cutting edge Talent Management programs throw more light on developing and using the talent of high professionals and continuously maintaining the skill level of such high performers in the organization.

**Step-3 Recruit and Select Talent**

It is been said that there are primarily two major ways of sourcing talent, the first one is about developing the talent from one’s own organizational or talent pool, in other words,
to develop from within an organization’s resource pool and the second way is to hire fresh talent from outside and add on to the existing talent pool of the organization. The most sustainable Talent Management programs are the ones which integrates hiring from outside with developing the talent pool on the inside as well. The role of development must continue even after the hiring and selection has been done as the skill set of an employee must adapt to the current requirements and also be prepared for the future needs.

In the recent years there has been a lot of growing focus on the recruitment methods. While many companies stick to the traditional forms of advertising and campus recruitment, some modern day organizations are getting more and more innovative. E-recruitment is an example of online recruiting. Employment branding is also becoming relevant by the day and refers to the reputation of the employer as an employer. Selection of the employee is the next vital step after recruitment. While selecting, an employer lists down final candidates from a large application pool and then aim to select the best candidate.

**Step-4: Evaluating Performance**

This step is all about employee performance, tracking down an employee’s performance, the process of planning and appraisal over times. This step is very important for a good Talent Management program because leaders do not want to promote such people who are not performing well in the organization and are failing their jobs. Workers are evaluated on the basis of the results achieved by them, the competencies they possess and the kind of behaviours they display at work.

**Step-5: Analyse the Work and People Needed in the Future**

Since the nature of the business is dynamic and situations are constantly changing it is not necessary that the competency models and job descriptions which are relevant today will be relevant in the future as the type of work and the amount of work needed to be
done might change as well. To align the objectives of the organization to the strategic objectives, there is a need to be prepare proactively for the changes in the future.

**Step-6: Evaluate Potential**

The criteria to evaluate potential is a tricky one because on the basis of the analysis of the past performance, the future promotability can’t be ascertained as it is not enough because high level jobs require higher competencies which an individual at a lower level might not possess or he/she may not even be aware of. Also, some employees want promotion just for hike in their salaries and may actually not be competitive enough to handle more workload and responsibility of a higher post. Thus there must be some way through which it could be assessed that how well an employee can perform at a higher level of responsibility.

Although potential assessment can be difficult, because organization al leaders might not have ever seen individuals that are being considered for promotion. Some of the common ways to assess potential includes nominations through proper supervision, a 360-degree assessment on the basis of the competencies that are required at a higher level of responsibility, and not at the current level of responsibility, assessment centres, work rotation, psychological tests etc. But none of these methods are foolproof. Each method has its own advantages and disadvantages. For example, there might be some bias in supervisory nominations. The best advice is to incorporate several approaches.

**Step-7: Develop People**

This step focuses on closing any gaps, mainly, there are two gaps that are of concern. The first gap is the performance gap, and the second is the developmental gap. Performance gap is between current performance and expected performance and the second gap is between the individual’s present competencies and those required at a higher level.
The best people must be retained once they are recruited, selected and developed. But the retention efforts must be made to keep talented people in the organization. Proper time should be devoted to retention strategy as much time is devoted to recruiting and development. One of the problems in retaining is that of overcoming management preconceptions. It should be worked upon so that the best people could be retained and developed.


Lance A. Berger, Dorothy R. Berger (2010) have out forward through their experience and researches that almost all the high performing organizations use a Talent Management Model, the main underlying elements of such models can be classified under three main headings:

a. A creed
b. A strategy
c. A system

a. Talent Creed

Talent Management creed refers to a set of broadly communicated values, core principles and expectations which often guides the behavior of an organization and its employees. The collective principles depict the kind of culture that an organization is trying to build up to achieve success. These principles are embedded in the Talent Management system and Talent Management strategy of the organization and incorporates doctrines in different fields like selection criteria, performance criteria, competency, internal selection and various development processes. Johnson & Johnson Credo is an excellent example of such a creed as it’s consistently among the top group in Fortune’s Most Admired Companies List. Johnson & Johnson Credo states that their ‘credo is more than only being a moral compass and that they believe is the recipe for their success’.
Another such company that is looked upon as one of the most successful companies is Microsoft as it believes that the value system at Microsoft guides the behaviour of their employees and these values shine throughout their organization, even reflected in behaviours of their employees during the interactions with their subordinates or even with stakeholders. Off lately, some other elements are being added to the term Talent Creed, such as, sustainability, social responsibility, innovation, ethical standards, and creativity. Another striking and more popular example is Starbucks. It’s creed includes various references to ethical and social responsibility and provides for following six guiding principles which can help their employees to analyse the appropriateness of their decisions. These six principles are, namely:

1. Providing a nice work place environment and to treat each other with dignity and respect
2. Embracing diversity in the business being done
3. While purchasing coffee and roasting etc, highest standards must be put to use to attain excellence
4. To develop a channel of satisfied customers
5. To contribute positively to the environment and community around
6. To accept that profitability is essential for success of the business.

b. Talent Strategy
A talent strategy reveals the investments made in people by the organization today believing that this investment will help them to achieve a competitive edge and excellence in future. Workforce is often viewed as a portfolio of human assets and resources in the Talent Management strategy. These portfolio’s are assessed by measuring their current and further potential contribution relevant to the success of the organization. The different types of people chosen from the organization for this kind of investment are included in the talent strategy.

Thus to sum up talent strategies of high performing companies, the following three directives are considered:
1. Cultivating the Superkeeper
2. Retaining backups for key positions
3. Allocating TREADs (trainings, rewards, education, assignments and development)

Cultivating the Superkeeper

- This includes identifying, selecting, developing and retaining the Superkeepers. Since Superkeepers form a very small group of people, about only 3% of the entire organization, these are individuals who have shown to have accomplished a lot for the company and along with that have also inspired others in attaining their goals too and these individuals have embodied the creed of the organization, set of core competencies and all the values prevalent in the organization. The absence or loss of such people several affects the growth of the organization because they exert a powerful impact on the present and future performance of the organization. Thus of you take away the best people from an organization the company will automatically wither away and its performance will be majorly affected.

Retaining backups of key positions

This directive includes creating a set of replacements for a small number of positions that are titled as key position in the company as these positions are important to the present and future performance of the company. The replacement activity involves high costs, is disruptive in nature, and very distracting for the organization.

Thereby to achieve organizational success, a backup for all the key positions must be kept ready and also the replacements must have already exceeded the performance in the past beyond standards and must have also helped others in achieving their goals too. The organization carefully needs to designate the key positions as its one of the most decisions of the company. But most of the organizations like to think of all the positions in the company as key positions.
Allocating TREADs

This directive simply refers to the investments made by the organization in the form of training, rewarding, educating, granting assignments and investing in developing activities. The goodness of this investment will not be long visible until long as it usually takes a lot of time for these elements to workout together and be able to produce a substantial result. The classification of the employee groups for the purpose of investment is based on the basis of the level of their performance, their competencies, their input in inspiring leadership and development of others in organization, and for being the role models for the organization. This classification can be divided according to the percentage in the following form:

a. high performing employees who exceed beyond expectations greatly and will perform better in future as well (3%)
b. keepers, the employees who exceed expectations at present and are expected to do that in the future as well (20%)
c. Solid citizens, the employees who simply meet the expectations of the organization (70%)
d. misfits, the employees who are below the expectations of the organizations (2%)

Table 1-1 Provides a strategic perspective on TREADs allocation by employee classification.

<table>
<thead>
<tr>
<th>Superkeeper TM</th>
<th>Compensation</th>
<th>Training/Development</th>
<th>Career Paths</th>
<th>Visibility</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Accelerate much faster than pay markets</td>
<td>Major investments</td>
<td>Very rapid</td>
<td>Very high recognition</td>
</tr>
<tr>
<td>Keeper</td>
<td>Accelerate faster than pay markets</td>
<td>Substantial investments</td>
<td>Rapid</td>
<td>High recognition</td>
</tr>
<tr>
<td>--------------</td>
<td>-----------------------------------</td>
<td>-------------------------</td>
<td>-------</td>
<td>------------------</td>
</tr>
<tr>
<td>Solid Citizen</td>
<td>Accelerate moderately until competitive level is reached</td>
<td>Investments only to enhance competencies for current/future business situations</td>
<td>Moderate to none</td>
<td>Recognition</td>
</tr>
<tr>
<td>Misfit</td>
<td>No increase</td>
<td>Only to improve fit now or for next job if it has a reasonable probability of success</td>
<td>None</td>
<td></td>
</tr>
</tbody>
</table>

Table1-1 TREADs Allocation by Employee Classification

c. Talent Management System

The third step in the development of the Talent Management model is creating the Talent Management system. In order to do that, the talent creed and the talent strategy will need to be put in place or rather into the human resource management system as these two elements are the drivers of strategic Talent Management. Aligning these two elements will result in the implementation of the Talent Management system. Thus Talent Management system could be looked upon as a set of processes and procedures that can translate the talent creed and talent strategy in a diagnostic way which could be implemented for attainment of organizational excellence. Most successful Talent Management systems include four main components:

1. assessment tools
2. multi-rater assessment
3. diagnostic tools
4. monitoring processes

Assessment Tools

The most successful organizations are believed to incorporate five building blocks or assessment tools. These assessment tools are linked to ensure that assessment is consistently done and should always include the organization’s creed. These assessments are then used to make investment decisions that will stand consistent with three part strategy already mentioned above. Another important element is competency assessment.

Competency Assessment form the major part of an organizations’ Talent Management system. This set of competencies include knowledge, skill, behaviour, or any other expectations which is desired from the employees which is also relevant to the success of the organization. It is also mentioned that competencies must include an organization’s creed. From the research, it can be pointed out that most organization’s sue about four to nine competencies for their Talent Management process.

Table 1-2 Illustrates a list of nine representative core competencies and their definitions. The list has undergone little change since the first edition of this book.

<table>
<thead>
<tr>
<th>Core Competency</th>
<th>Attributes</th>
</tr>
</thead>
<tbody>
<tr>
<td>Action Orientation</td>
<td>Targets and achieves results, overcomes obstacles, accepts responsibility, establishes standards and responsibilities, creates a results-oriented environment, and follows through on actions.</td>
</tr>
<tr>
<td>Citizenship</td>
<td>Demonstrates a commitment to the organization’s stated creed, values, ethical codes, and principles of sustainability. Is honest, candid, and transparent in personal and business relationships. Exhibits integrity and builds trusting</td>
</tr>
<tr>
<td>Skills Group</td>
<td>Description</td>
</tr>
<tr>
<td>---------------------------</td>
<td>-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------</td>
</tr>
<tr>
<td>Communication</td>
<td>Communicates well, both verbally and in writing. Effectively conveys and shares information and ideas with others. Listens carefully and understands various viewpoints. Presents ideas clearly and concisely and understands relevant detail in presented information.</td>
</tr>
<tr>
<td>Creativity/Innovation</td>
<td>Generates novel ideas and develops or improves existing and new systems that challenge the status quo, takes risks, and encourages innovation.</td>
</tr>
<tr>
<td>Customer Orientation</td>
<td>Listens to customers, builds customer confidence, increases customer satisfaction, ensures commitments are met, sets appropriate customer expectations, and responds to customer needs.</td>
</tr>
<tr>
<td>Interpersonal Skill</td>
<td>Effectively and productively engages with others and establishes trust, credibility, and confidence with them.</td>
</tr>
<tr>
<td>Leadership</td>
<td>Motivates, empowers, inspires, collaborates with, and encourages others to succeed. Develops a culture where employees feel ownership in what they do and continually improve the business. Creates a clear vision, accurately communicates the vision, and gets others to behave in a way to support the vision.</td>
</tr>
<tr>
<td>Teamwork</td>
<td>Knows when and how to attract, develop, reward, be part of, and utilise teams to optimise results. Acts to build trust, inspire enthusiasm, encourage others, and help resolve conflicts and develop consensus in supporting high-performance teams.</td>
</tr>
</tbody>
</table>
Technical/Functional Expertise | Demonstrates strong technical/functional proficiencies and knowledge in required areas of expertise. Shows knowledge of company business and proficiency in the strategic and financial processes, including profit and loss (P&L) planning processes and their implications for the company.

Source: Table1-2 Nine Representative Competencies

Multi-Rater Assessment

The most successful Talent Management systems use different raters to utilise the input on ongoing criteria. Horizontal and Vertical Organizations are included in critical assessments as decisions like succession planning, job assignments, career planning need the ownership and approval of the higher levels of management and other functions in the organization. A two level supervision is exercised for confirming the performance appraisal. The multi-rater assessment is also used in different types of assessments and must be stretched to other or more assessors. The further addition of assessment tools and assessors facilitates a reconciliation process that ensures consistence which can be mutually agreed upon, on which TREADs investment can be done. The inputs from employee, boss, boss’s boss and boss’s peer group must all be included in the final assessment and decisions for the purposes of job assignment.

Diagnostic Tools

Diagnostic simply contains analytical devices that an organization can use to convert assessments of employees and make a Talent Management plan out of it. The five diagnostic tools that are typically used by organization, which are performing highly, involve the following strategic drivers:

1. Superkeeper reservoir: This reservoir includes employees whose performance exceeds expectations greatly, those who inspire others around them and those who possess institutional competencies.
2. Backups for key positions: Each organization must have at least one back up for each of its key positions.

3. Surpluses: For positions that can more than one replacement for an incumbent.

4. Voids: Voids must be identified and positions without backups must be looked upon. The decisions regarding candidates for these positions must be taken carefully.

5. Blockages: Those employees who stand in the way of promotable or high-potential employees who are themselves non-promotable.

6. Problematic employees: These are those employees who do not meet the job expectations. Such employees must be given chance to improve but it should no longer than six months.

7. TREADs Allocation: Based on employee’s projected and current contribution towards the organization, the value of investments in training, rewards, education, assignments and development is done.

**Monitoring the Process**

The credibility of the Talent Management process must continuously be tested to ensure that it is effective. Monitoring process is critical for tuning the organization with that of Talent Management system of an organization. The following broad measures are used by best performing organization:

Quality: Quality can be checked by analysing if the Talent Management strategy is delivering results or not. The reservoir of superkeepers must be sufficiently maintained.

Timeliness: The Talent Management system must work within a stated time frame or if it is taking too long as a decision making process.

Credibility: People must be engaged by the system and they must believe in the workings as well as failures of the organization.
Conclusion:

Thus this Talent Management is based on the practices followed by high-performing organizations and it consisted of three elements i.e. creed, strategy & system and they are all linked together. It is relevant that principles of an organization must be embedded in both the Talent Management system as well as Talent Management strategy. The Talent Management strategy contains:

1. Cultivate the Superkeeper TM.
2. Retain key position keeper backups.
3. Appropriately allocate training, rewards, education, assignments, and development (TREADs).

And the Talent Management system contains procedures and processes which can be translated for organization’s strategy and creed and put them for diagnostic and then implementation process to achieve organizational effectiveness on the basis of the following four components: (1) assessment tools, (2) multi-rater assessment, (3) diagnostic tools, and (4) monitoring processes.

C. IES Four-Step model of Talent Management: Victoria Campbell, Wendy Hirsh (2013)

Institute for Employment Studies which is an international centre of consultancy and research is an independent and apolitical organization and it works with the employees in all the sectors, agencies, departments, governments, associations and professional bodies. IES is a non-profit organization and focuses on accumulation of knowledge in employment and training and the operating labor markets, along with focusing on Human Resources and development and planning.

The four step model was designed after conducting a case-based study on the practices and issues of Talent Management in 23 member organizations within the network of IES. The sectors included both private and public as well as third sector organizations.
The four steps which need consideration in the development of a Talent Management approach are:

- Definition: What do we mean by Talent Management in this organization?
- Focus: Which jobs and groups of people will Talent Management focus on?
- Process: How will Talent Management be done in practice?
- Action: What are the practical outcomes of Talent Management?

It can be seen from above that each of these four steps contains a certain set of questions according to the business nature and choice. These questions act as business moderators and also explain why this Talent Management process is having a highly contextual aspect regarding people management. This model seems like a simple one for such a complex topic as Talent Management but it can definitely throw some light on how business needs affect the Talent Management in spheres of definition, focus, action or process.

Key learning points from the IES Four-Step model of Talent Management by Victoria Campbell, Wendy Hirsh(2013) are as follows:

- Adopt clear definitions and transparent processes: This will help gain trust and build credibility.
- Be true to your definition and messages about talent: If adopting an inclusive ‘everyone has talent’ approach, ensure that the development review and planning processes for all staff genuinely reflect this.
- Build the business case for Talent Management: Align talent development approaches to business strategy.
- Be aware of changing business priorities: As business priorities change, we need to address whether our Talent Management approach is still appropriate.
- Balance immediate business need with long-term strategic objectives: This requires careful consideration of what the key business drivers are.
• Mobilise talent where possible: If an individual is not ready for a promotion, consider development through stretching them in the job or through a lateral move.

• Consider low cost methods of talent development: These might range from experiential learning through target experiences, to coaching and mentoring from senior leaders or specialists.

• Showcase talent to senior managers: This can be done through networking events and is a valuable way of advertising the calibre of internal talent.

• Fit approach to culture: The desired behaviours of leaders and indeed all employees should be communicated clearly and embedded through the Talent Management processes and practices.

• Consider organizational readiness: Responsibilities for Talent Management must be clear and managers should be supported in becoming competent at having talent and career conversations.

• Engage the HR community across the business: Organizational Development (OD), HR Business Partners (HRBPs) Leadership, Learning and Development (L&D) and talent leads should all be involved, to ensure they are working with a non-silo mentality and that approaches are consistent across departments.

• Demonstrate that talent practices add real business value: Workforce information needs to be better analysed, reported and integrated with other measures (eg financial data) to demonstrate the business contribution of Talent Management.

• Ensure Board buy-in: This is a critical success factor for Talent Management, just as it is for all people management activities.

HC Bridge decision Framework

Boudreau and Ramstad (2005) created a model the HC Bridge decision Framework that outlines the logical connections supporting Talentship. The HC Bridge framework is
based on three anchor points—efficiency, effectiveness and impact that are common to all decision sciences. (Fig 1).

The **efficiency** anchor point focuses on what resources are used to deliver HR practises, while effectiveness anchor point focuses on how HR policies and practises affect the talent pools and organizational structures to which they are directed. **Effectiveness** refers to the outcomes of HR policies and practises on human capacity (a combination of capability, opportunity and motivation) and the resulting “aligned actions” of the target talent pools.

**Impact** reflects the hardest question of the three and most vividly illustrates the fundamental differences revealed by a focus on talent decisions beyond simply HR service delivery. Impact asks, “How do differences in the quality or availability of different talent pools affect strategic success?”

The HC Bridge spans multiple situations and decisions setting up a logical way to describe situations, organize information, create deeper understanding and improve decisions (Boudreau & Ramstad, 2005). The framework is useful in guiding execution by starting with HR investments and practices at the bottom and clarifying how they connect upwards to business processes, resources and sustainable strategic success. This new paradigm based on Talentship is a significant opportunity for organizations to achieve sustained competitive success through one of their most important resources, the talent of the people.

At the heart of Talentship lies the HC Bridge model, it is a framework to coerce companies’ decision makers to ask the right questions about HR. It integrates impact, effectiveness and efficiency and aims to link HR, Talent and strategic success; providing professionals with more consistency and a common language to communicate Talent decisions within an organization. Without such frames the amounts of data and opinions easily cloud key issues (Boudreau & Ramstad 2005).

### 1.8 Proactive Talent Management

Proactive Talent Management consists of three basic steps:

- Personal requirements of an organization over the next coming years
• Identification of the talent which is already present within the organization
• Recognition of the skills which are required to be developed among employees through training and other avenues.

With these insights, organization can proactively plan for performance and recruitment management and for further succession planning.

Taking a further closer look to the above three steps, a strong sense about the true talent assets and needs can be figured out which is as under.

• Analyzing organization need with regard to people
  At the time of the job opening, the recruitment and the Talent Management puts in more efforts for the selection of the appropriate employee to perform and achieve the business goals of the organization. The Proactive Talent Management identifies the deficiency and attain the reason behind leaving of an employee and the recruitment of a talented employee as per the requirement. The Proactive Talent Management anticipates the upcoming openings and the workforce changes so as to fill the spaces based upon the forecasting drawn upon the data of the organization’s performance, its goals and market trends and workforce demographics. For example, the eligibility of an employee to retire after a particular period can uncover future needs and thereby a proper communication about the intention of these employees can be made.

• Understanding one’s own workforce
  The organizations have existing staff members who can be provided with a different role which might include a promotion or a transfer to a different function or an extra training for a transfer to a different position. The Proactive Talent Management considers the employee’s professional goals, performance potential and interest in developing new skills making it easier and more streamlined for the talent managers for assessing their talent and recognizing the opportunities for their professional development.
• Identification of existing skills

The Proactive Talent Management knows about the strong candidates to fulfill a particular opening within an enterprise but it also has a knowledge about the employees which already have the expertise and high potential and they can easily develop a specific knowledge by taking classes in comparison to the new employees which are hard-to-recruit skill set.

The benefits of Proactive Talent Management is not merely to develop a search strategy for new talented employees rather it internally hires employees depending upon their talent for the benefit of the organization and other employees.

For a start-up company, it would be difficult and expensive also to promote an employee from within the organization, thereby, making the talented employees to move to a different organization which lowers down their performance level as they are more likely to jump into different organizations too frequently. It has been found that lack of professional development drives young managers to change to different companies without indentifying training, which is most important aspect of the job.

Further, it is easy to train and employ within an organization to move to a different role rather than on-boarding a new employee who is not familiar with the organization processes offerings, relationship with the others and who are not able to cope up with the organization’s culture in comparison to the employee who is already working with the organization.

Also the Proactive Talent Management identifies a successor to replace a departing employee and providing proper training from the departing employee who can train the replacement and can pass the key information easily and more effectively.

Thus Proactive Talent Management can easily assess the current talent assets and potential, also the upcoming needs, and empowers the organization to make the most of
the available workforce. Also Proactive Talent Management increases performance approach by easing the burden of departing workers and maintaining good relations among the employees so as to retain them within the organization.

Nowadays, Proactivity is required at a more prominent pace by any organization to recruit the culturally and demographically more diverse talented workers. It includes activities such as Proactivity to appeal to a diverse customer base, retain valuable employees and then to intervene to prevent the turnover. For example, an employee stays in the same position for more than three years, it would provoke his turnover intentions. Thereby, making the employee more quiet than usual which is found to be a major clue of attrition risk.

Proactive Talent Management looks after the employee benefit programs such as flexible working hours, proper work atmosphere, opportunity for succession planning to every employee, charismatic leadership of the managers and proper communication among the employees for their growth. Proactive Talent Management also provides opportunities for the employees to express their views and use their skills and vision which are beneficial for the organization. For example, in 1992, a man named Jeff Bezos, Senior Vice-President for the hedge fund D.E. Shaw made a vision about a company that could sell books on the internet but it was not supported within the organization as of which Jeff Bezos resigned from the job and started his own business and founded Amazon.com.

Similarly in 1981, engineer Narayana Murthy has a vision of India competing with other countries in the Industrial World in the Software Development work which was exclusively done by the countries of the west. Being one of the six co-founders of Infosys, and it’s CEO for 21 years, Murthy helped India in bringing wealth by igniting the revolution of outsourcing and thereby establishing India as a key player in the field of outsourcing internationally.

There has been a positive relationship between transformational leadership and proactive behavior, it has been found, that employees who are more proactive has been found to be
more active in situations of high autonomy and transformational leadership, thereby, broadening the effectiveness. Moreover if a worker has a feeling of job autonomy, he has more chances of risk taking and actively participating in leadership activities and prove his talent to the epitome of his capabilities. With the increase in the challenges for growth and efficiency of an organization in a highly competitive business environment, more emphasis has been laid upon Talent Management so as to identify the best talent and create a competitive advantage.

Due to recession, companies have been forced to downsize thereby making the employees to overwork and also create a feeling of under-appreciated and often forgoing bonuses and salary increases so as to cut the cost in order to show higher profit margins. Thereby, attrition rate has also reduced either due to employ quitting by himself or herself or getting fired for not able to deliver the required organizational performance in accordance to the organization thereby adding mayhem to the already fast-paced, think working environment. Thus making the recruitment process to be more strategic and future oriented.

Attracting best employees for the organizations requires intentional strategies and flawless along with smart tactical executions. It involves, ‘numbers game’ i.e. initiating multiple strategies simultaneously for both active and passive job seekers. These tactics includes advertising, and outsourcing. Advertising aids to the strength of the organization along with the position of the industry for the long term goals but it would more actively pull the job seekers who are presently active in the market whereby, it has been found that passive candidates who are happy in doing their jobs and doing great work are the best candidates but they can be found only upon following the process of “go out and get ‘em.” Done either by the talent manager of the organization or with the help of the external recruiter, which comes under outsourcing.

Proactive Talent Management Strategy requires investment and dedication, thereby, forcing the companies to opt to higher an external recruiter as a dedicated resource to drive the Proactive Recruitment in a much cost effective strategy. HR Managers/ HR
Directors also, can be useful in fulfilling the role of searching the best talent but due to the possession of the multiple accomplishments such as administration support, office management, personal issues management, personal evaluation, risk management, staff on/off boarding and staff training/development, they often lack the time or bandwidth in the planning and execution of Proactive Recruitment Strategies. For smaller start ups, a dedicated in house resource could be challenging to invest in where revenue is tight and affordable strategy is to have a contract with an external recruiter. And thereby, deploying the recruiter to do the searches an external recruiter serves as a bridge strategy until the start up generates enough revenue to dedicate its own talent acquisition resources.

1.9 Critical Elements in Proactive Talent Management Strategy

The requirement of proactive Talent Management has increased with the increase in competition for the skilled, innovative, aligned and achieving employees to achieve organizational goals and to compete with the different competencies of the organizations. With change in the present world regarding the retention of an employee in an organization, it has become a major challenge for the organization to manage their attrition rates.

Proactive Talent Management specifically concerns employee retention which has been seen as a major concern for senior leaders in an organization. Due to the shrinking of the talent pool, an increasing competition of high achievers, there has been an emergence of talent crunch. Economic uncertainty is another reason for the shift of the employer/employee value proposition, thereby making it clear for the organizations to look upon the motivating employees and to use these learnings for employee retention.

The following are the critical elements for having an effective organization possessing highly skilled talent for responding quickly to opportunities and fluctuating market conditions in order to grow and achieve business goals:
1. Career Development

Career Development for an employee is to perform effectively in his or her desired role and prepare for the possible future goals which involve growth and learning on the job index and exposure to various training or education and also to role models among the organization itself. The major impact in the Career Development of an employee can be found through his or her on-the-job-experiences which includes coping with obstacles, implementing changes, influence of senior leadership, and teaching others. But at the same time, education and exposure also play a significant role in the Career Development of an employee which includes workshops, conferences, coaching from seniors etc.

2. Effective Leadership

It involves that the leaders must be able to plunge the visions and the values of the organization throughout, in order to, maintain and establish credibility from the employees. The leaders need to interact with the employees at all the levels more frequently to find various perspectives of the employees to understand the requirements and thereby acting in accordance with their expectations. This includes treating employees sympathetically and attaining their confidence and thereby aligning them with their goals and responsibilities so as to attain the organization’s strategy and jointly achieve overall business goals.

3. Authentic Communication

Employee’s relationship with his or her senior has played a critical role in employee retention. The seniors need to provide a proper workplace environment with open and positive communication so that a manager can provide regular feedback to the employees. The managers should not give constructive feedback but must provide a feedback when an employee makes a mistake so that the feedback could work in a more constructive manner and useful for the success of the employee and thereby mutually problem solving situation can be arrived. The manager must coach the employees through a proper channel of communication.
4. Creating the Right Culture

Right culture in an organization contributes to the core essence of the employment brand as it makes the employees feel that they can communicate and have a place in any business of an organization. This means that the employees must be encouraged to give their inputs, feedbacks and suggestions, making the employee feel that they have a voice in the business. A proper workplace environment must be created in an organization whereby the employees can freely express their views and making sure that the constructive ideas of the employee’s are implemented whenever its possible and practical.

The employees should never feel that their suggestions are impractical to the organization and there is no specific reason to explain the decision of non-implementation of the suggestions given by any employee. By creating an environment of open culture, the employees feel more inclined towards displaying their creative personalities at work and also to attract new talent as well as to retain the current talent.

These are the critical elements found in the Proactive Talent Management Strategy but to further retain the employees in the organization, an organizational survey can be done whereby other working conditions can be found.

1.10 HR Department shifts from being a Reactive Process to being a Proactive Business Service

“One of several interesting threads that came out of the Connected Enterprise 2011 conference held in Scottsdale this past weekend by analyst firm, Constellation Research Group. The event encouraged healthy discussions and provocative ideas by the analysts, other speakers and an active audience around the future of organizational processes in the landscape of ground-shaking technologies like social networking, mobile, cloud and analytics. VP & Principal Analyst Yvette Cameron spoke of the need for Chief Human Resources Officers
(CHROs) to shift their focus from policy administration to showing how they create value out of the people in the organization. This may be a redistribution of emphasis of time and resources across typical HR activities: policy management, talent acquisition, talent and skills development, leadership or succession planning, and employee climate."

As quoted by Rawn Shah in his article, ‘Shifting HR From A Reactive Process to a Proactive Business Service’, elaborates the fact that earlier HR used to follow the typical activities of redistribution of emphasis of time and resources right from the time of the hiring of an employee till the time the employee does not exit from the organization. But from the latest trends, it has been observed that along with the typical HR activities, activities such as policy management, talent acquisition, talent and skills development, leadership and succession planning and proper workplace environment is considered for the retention of an employee in an organization.

John Hagel, Co-Chairman of Deloitte Center for the Edge, also explained that “how if you ask any senior executive of how harness increasing returns they will inevitably cite talent as a key factor. When CHROs are asked what they do with talent, the two common foci: attracting and recruiting talent, and retaining talent when they make signs of leaving the organization. Mr. Hagel asserted that what is becoming more and more marginalized is the talent development program. Talent development is also typically delivered through education and skills development classes and curriculum within the organization or outsourced to a partner.”

The process of the Talent Development is typically delivered through education and skill development classes within the organization or outsourced through any partner. As we know, that organizations hire students who came straight out of college, after getting basic education qualification, but they require additional education and skills for retaining them within the organization and to prepare them to work according to the existing work culture.
From the view of Talent Development, the organizations need to provide education and skills development classes to the employee-students, rather than following the practice in which the employee-student use their own tacit knowledge to work in an organization. Though socially peer to peer learning is in prominence, and programs directed by the corporate officials are still not prominent, thereby making the system of learning based on the earlier practices only.

But in the present scenario, the organizations need to create passion amongst its employees by providing key value to develop individual talent as well as on group level as it does not matter in the organization as to how to sell the product and services or sharing new offerings rather the concentration must be on how the process of shared learning could be imparted to every individual of the organization. For independent professionals and interims, Proactive Talent provides a full range of support service so as to help them define their service proposition and market themselves effectively, thereby, accessing gain to most relevant opportunities. At the same time, the organizations, from time to time use a Proactive Talent Management to find the best resource within the organization or recruit them as per the requirement of the organization.

The difference between Proactive and Reactive Recruitment Strategy is merely upon planning and forethought. A Proactive Strategy helps us to be more forward thinking; to anticipate and mitigate the problems that occur within the staff regarding the opportunities that an employee can avail on the basis of his talent.

A Proactive Recruitment Strategy emphasizes on being more anticipatory by planning ahead, staying forward thinking, and anticipating organizational needs. This manifest can be achieved by developing a pipeline strategy thereby keeping tabs upon promising candidates, to conducting ruling interview cycles, in order to engage future prospects. A Reactive Strategy devotes less upon planning and risk management, and is much cheaper and also appears to be more cost effective for
the business. But in the present scenario, hiring decisions not based upon the
talent of the individual can potentially lead to a bad hire. A Reactive model
response to crises as such occurs which could experience a sudden drop in
productivity because of fluctuating staff levels while the companies HR
Department works upon developing workable situations.

1.11 Future of Proactive Talent Management

In an article published by Proactive Talent, it’s been said that “In the latest Jobs
Outlook survey from REC, 98 percent of employers stated that they intend to
maintain or increase their use of temporary staff in the next quarter as overall
demand for labour continues to rise, with 80% of employers citing the need to
gain ‘short-term access to key strategic skills’ on a temporary basis as the main
reason for this demand and the shortage of workers with professional and
managerial skills as being a key priority. The research also shows three in four
(74%) employers think that confidence in the economic climate is improving and
businesses are changing their hiring strategy to make the most of available
opportunities. On the other side of the coin, the largest increase in self-employed
workers over recent years has been at the Director and Manager level, with
professional services such as marketing and finance being the most prolific
disciplines.”

Earlier for short term projects, a permanent staff member was made to step away
from his or her normal duties in an organization to specifically work for the
assigned project, thereby lowering his potential but with the help of the Talent
Management the seniors are able to find the right employee to do the short term
projects without hampering his or her normal duties. The Talent Management
adopts a more centralized approach pooling resources and providing the best
employee for any short term project assigned by any client. However, this
involves significant time and money allotment to manage the process in case of a
non-talented individual of the organization who is not able to educate and attain skills so as to perform both on his or her normal duties and the projects assigned to them.

As long as Proactive Talent Management is used as an effective mechanism to bring the two together, this would help in a more competitive market for short term project work at any level within the organization. And also enable the clients to obtain the best possible value of money.
References:

20. Howell, Paul (2010), Time for action - Talent managers get a wake-up call


43. The looming leadership void: Identifying, developing, and retaining your top talent. (2007 November).


**Web Source:**

a. Talent Matrix, Web Source: (https://www.google.co.in/search?q=talent+matrix&espv=2&biw=1280&bih=621&tbm=isch&imgil=51DmLAIxJF4mEM%253A%253BiYS3NGEeuNmmdM%253Bhttp%25253A%25252F%25252Frpandmp.blogspot.com%25252F2013%25252F03%25252Fidentifyingtalent.html&source=iu&pf=m&fir=51DmLAIxJF4mEM%253A)


d. Proactive Talent, Web Source: 'The future of management level resourcing', (http://proactivetalent.co.uk/the-future-of-management-level-resourcing/)