CHAPTER - II

LITERATURE OVERVIEW

The integration of the world markets had a profound impact on the functioning of both the public and private sector organizations, more so the private sector organizations. Organizations found themselves in the thick of competition from both national and multinational Corporations resulting in introspection on all dimensions including the development of human resources. Competition also pre-supposes development of human resources and it is here competence, competency management and talent management assumes significance. This chapter reviews the literature on these two concepts of competency management and Talent Management so as to identify the direction of research and the gaps in the same. This chapter is divided into two parts. Section - 1 deals with literature on competence management and the section - 2 deals with literature on talent management. An attempt is made to review the literature under different headings for convenience and clarity.

Section -1- Competence Management

HRM in the organizations received a new recognition and importance as a strategic partner to gain a competitive edge and thus it is very important for HRM functions to be realistic, such that the performance of the organization is ensured. This is particularly true in the era of globalization, where the human resources have` assumed strategic dimension and the organizations are laying emphasis more and more on improvising the potential and capability of human capital of the organizations through new and defined process of hiring, training, development, performance appraisal procedures and succession planning methods. Although HR functions have been in the lime light since a long time its importance increased with the organizations spreading their tentacles globally and competing on the basis of their human potential. A competency from an individual point of view and competency management from an organizational point of view assumes significance in this context. Organizational practice is limited on the use of competency management as a concept in the management literature although it was in
use from times immemorial. The development of these practices as a concept and its application in the contemporary era is recent. Hence the literature evidences studies in this direction, although in a scattered way and in isolation to each other. This section reviews the literature on the concept, definition, and competency as strategy, models, competency management and HRM.

a) Definition - Competencies are defined as “an underlying characteristic of a person which results in effective and/ or superior performance in a job”. George Klemp (1980). Boyatzis(1982) defined “competencies as characteristics that are casually related to the effective or superior performance in a job”. He also noted “competencies are characteristics that are casually related to the effective or superior performance in a job”. MCLagan (1989) defined competency as “an area of knowledge or skill that is critical for producing key outputs”. She also noted that people might express these capabilities in a “broad, even infinite, array of on-the-job behaviors.

Expanding on those definitions, Spencer and Spencer (1993) described a competency as “as an underlying characteristic of an individual that is casually related to criterion-referenced effective and/ or superior performance in a job or situation”. They explained that competency characteristics include these five types; motives, traits, self-concept knowledge and skill. According to Dubois (1993) for defining competency he adapted Boyatzis’s (1982) interpretation of the term and defined competency as an underlying characteristic that leads to successful performance in a life role” This definition varies according to the context of its application and the differences in procedure and philosophy. Some scholars brought in the success angle to competency where competencies predicting success have been observed. Flannery, Hofrichter and Platten (1996) noted competencies as that “add value and help predict success “. Competency and its usage in a manufacturing set up were also studied. Dubois and Rothwell (2000) described competencies as tools used by workers in a variety of ways to complete units of work, or job tasks. Thus these definitions commonly talk about the underlying characteristics / capabilities of individuals leading to successful performance at the work place.
b) **Competence as a strategy** - Strategy is an expansive enterprise. It not only relates with all the functional areas in the business school, but also is by nature, interdisciplinary. All of the social sciences – especially economics and organization theory – plus contract law are implicated. Philip Selznick noticed that the organizations developed in the early 50’s saw a gradual emergence of special strengths and weaknesses in each one of them and he coined the term *distinctive competence* in 1957. Kennethe R.Andrews elaborated on this concept in 1971 when he posited that distinctive competence included more than just the strengths of an organization. In his view distinctive competence was the set of activities that an organization could perform especially well in relation to its competitors.

Strategy is defined as the tool managers use to adjust their firms to ever – changing environmental conditions. Unless a firm produces only one type of merchandise or service, it must devise strategies at both the corporate and business levels. Corporate strategy defines the underlying businesses and determines the best methods of coordinating them. At the business level, strategy outlines the ways that a business will compete in a given market. Strategic planning is closely tied to the development and use of distinctive competencies, and having an area of distinctive competence can present a major strategic advantage to any firm.

The importance of innovation and competences at the organization level was pointed by Gary Hamel & C.K.Prahlad (1989). Their study viewed organizations and the managers as working hard to match the competitive advantage of their global rivals. They found that competitiveness seemed out of reach and this made them form competitive alliance with the same company that upset the competitive balance in the first place. In the process they observed that companies end up in imitation with no or very less profit. Thus they suggested that companies should have *strategic intent*, which means a sizable stretch for an organization. Where current capabilities and resources are not sufficient, organizations were forced to stress on innovativeness to make the most of limited resources. Organizations adopted ways to achieve success as Gary Hamel, Yves L.Doz and C.K.Prahlad (1989) said that in the competitive world the *companies should collaborate* with the competitors as it strengthens the company.
Executive capability for identifying the competencies was also included by C.K. Prahlad & Gary Hamel (1990) in their work during the 1990’s. The executives were judged on their ability to identify, cultivate and exploit the core competencies that make growth possible – indeed they will have to rethink the concept of the corporation itself. They then discussed the importance of core competence to the organizations, and pointed out that the importance of competencies that determine global leadership rather than the role of organizations as units of making profits. And finally through core competence of the organization they suggested to target core products through a strategic architecture that guides the development of competence building among the employees and with the organization as such. Importance of core competence was also dealt by C.K. Prahlad (1993) in his article where he highlighted the importance of core competencies and use of technology in the corporations.

Competences are essential for the sustainable advantage of the organizations. Gorge Von Krogh and Johan Roos (1995) also had the opinion that the competences are the underlying sustainable competitive advantage for the organizations. But there has been no thorough investigation into the very nature of competences in the management literature. Thus the author applied theories of sociology of knowledge to enhance the resource-based perspective of competences. The emergent “competence based perspective of the firm has important implications for strategic management in general and for personnel management in particular. The authors tried to demonstrate how competences build firm’s competitive advantage by building on the resource based perspective.

The advantage of competencies was explained by G.J. Bergenhennessee (1996) through the theory on the core competences of the organization and the competences of individual employees. The management style in competence-based organizations and the way in which a competence-based human resource management (HRM) system can help in achieving the organization’s objectives, as well as examining competence management and empowerment was also discussed by the scholars. A concrete application of a competence-based HRM system in the petro-chemicals industry illustrates the task of
linking an organization’s core competences to the personal competences of employees by making use of HRM instruments. The study concluded with a summary of the challenges HRM professionals face in competence-based organizations. The theory also helps in penning down the important instructions and formulating the procedures for competence management.

Instructions and procedures are highly essential and also smoothen the process of any organizational activity. This was highlighted by Bergenheegouwen et al. (1997) and Hagan (1996) where they opined that the core competencies of the organization should provide guidelines for the competence management process to increase sustainable competitiveness. It also helps in broadening the scope for the employee participation in making the decisions etc.

The effect of employee participation on strategic decision making was studied by Patrick M. Wright, Gary C. McMahan (1997) where they examined the impact strategy, core competence, and involvement of HR executives in strategic decision making on the refinery managers’ evaluation of the effectiveness of HR and refinery performance among 86 U.S. petro-chemical refineries. Survey results indicated that higher involvement of HR in organizational strategy was strongly related to perceptions of HR effectiveness, and the relationship was strongest and viewed skilled employees as their core competence. HR involvement was unrelated to refinery performance, but was actually negatively related to the extent that refineries emphasized efficient production as their core competence.

The globalization has put pressures on the organizations and especially on the HRM for success and sustainable development. T-John W. Boudreau (2003) highlighted the importance of Strategic human resource management and the challenge posed to HRM by sustainability for organizational success and the gaps in terms of overlooking important HRM contributions to financial success was noticed. Moreover the sustainability is just connected to HRM through the traditional HR paradigm. To make sustainability truly actionable the need for a framework was felt. The author proposed a framework and shifted the paradigm of HRM toward a decision science called “Talent ship” which defines sustainability and its measures, defines the connection between HRM and
sustainability using traditional HRM paradigm. And the HC Bridge talent decision framework that connects HRM, talent and competitive/financial strategic success, was used to logically make similar connections between HRM, talent and sustainability using examples from Shell and DuPont.

High potential in the form of employees exist in every organizations, which is not utilized, and unrecognized. Jon-Arild Johannessen, Bjorn Olsen (2003) pointed out that there is untapped capability in every business in the current scenario, which is knowledge. Thus they discussed the role of knowledge and competence in creating sustainable competitive advantage, the need for a strategic approach to competence development and the role of training in meeting the strategic competence priorities of companies. A model was developed for the organizations to tap the untapped knowledge. They also explored the existing research on people management, did a synthesis of authors knowledge and strengths and limitations of their knowledge. People management is an important contributor to organizational success as marketing, finance, or sales but HR suffers in terms of self-confidence and under valuation by both practitioners and users. Using a frame work they explained broadly the concept of people management through the changing employee and employer relationship, issues faced because of changing relationship, about the psychological contract, employee engagements, how to make employee committed towards the organization on organizational performance, impact of skills development on organizational performance outcomes, role of accountability in organizational performance, impact of effective HRM on productivity and organizational performance and studied the link between innovation and HRM.

The importance of competence management was further brought out by Simon Beck (2003) he stressed on the importance of knowledge to face the world wide competition and the competence of the employees and employers in competence management. The author tried gain more specific knowledge about the implementation of a strategic computer aided, employee oriented skill management system in the company. The main success factors found are first, an acceptance strategy, which includes the participation of motivated groups of pilots, the integration of the workers council, the support of the
management as well as much information and transparency about the objectives and the purpose of the system, good cooperation with the workers council is of great importance and enough personnel and organizational resources must be given for the project. While commenting upon the importance of competence management Davenport and Prusak (1998) stated that strategic competence management is increasingly important for innovative organizations, and is be critical to uphold strategic advantage.

According to Michael R.Losey (1999) human resource professionals see the opportunity to turn human capital strategy into a long term competitive advantage. Competent human resource professionals recognize the requirement of the profession and were optimistic to invest in maintaining and improving their skills and knowledge during rapidly changing times. The author identified the key components in measuring competency, intelligence, education, experience, ethics, and interests and the importance of each in regard to human resource management. Which if implemented in the HRM as a practice would help in reaping the fruits.

The HRM concept in the organizations plays an important role and every organization should place high importance on it as a practice. Brian E. Becker and Mark A. Huselid (1999) attempted to provide some insight into the “state of the practice” through the presentation of five detailed case studies describing the HRM strategies employed by firms known to be leaders in the management of people. They came forward with an outline of theoretical rationale and empirical literature linking HRM systems with corporate financial performance, highlighted the patterns that emerged from this research in five partnership companies. They synthesized findings and drew three broad conclusions. They are 1) The foundation of a value added HR function is a business strategy that relies on people as a source the human resource management staff while reengineering the HR delivery systems. The experience of a large, successful company that developed and implemented the process is also described. It was argued that the use of “best practices” contributes less to creating a world-class HRM team than to redefine the fundamental partnership role supported by the line organization. Finally partnering was defined in an operational manner of competitive advantage and a management culture that embraces that belief, 2) A value added HR function was characterized by
operational excellence, a focus on client service for individual employees and managers, and delivery of these services at the lowest possible cost and 3) A value added HR function requires HR managers to understand the human capital implications of business problems and can access to modify the HR system to solve those problems.

The HR’s job in the organizations was to identify, implement and develop strategies. Raye Walter (2003) felt competence is the most important for the success of any business hence management of competencies of an organizations members is important and an integral aspect of the managerial activities in the organizations. He explored the idea and concept of developing formulated strategies that will assist in addressing the specific needs of competence managers in innovative work environments. Focus was on what components are today’s competence systems comprised of, how can the use of competence systems be improved to provide better support in the management of organizational competence and on what strategy or strategies for competence systems development might future research focus. This study was based on literature review of two doctoral dissertations one on competence systems and other on knowledge creation and management on interest activation. Thus, concluded that competence management as an innovative unified strategy that is having the potential and is feasible for the organizations.

Application of competence management as a practice has many advantages. Ron Sanchez (2004) highlighted and identified the benefits of competences and stressed the problems the researchers and the practitioners face in defining competences conceptually and in identifying the real competences of organizations. The author identified five modes of competences that an organization must develop and maintain in its various activities to achieve overall competence. Each competence mode is identified by the distinctive sets of capabilities – or more precisely, the distinctive flexibilities they brings to an organization to respond to the changing opportunities and threats in its environment. Each form of flexibility is in turn distinguished by the kinds of strategic option it creates for an organization. Key interrelationships among the five competence modes were identified, and also the important aspects of managing each of the competence modes and
their interrelationships between competence modes affect the management of competences in an organization.

According to Maria Vakola, Klas Eric Soderquist and Gregory P. Prastacos (2007) competitive advantage depends largely on the ability to activate and use organizational resources. As a result, the focus in the strategic management, organizational behavior and human resource management literature has turned to the internal capabilities of organizations including a particular focus on employees’ competencies. They analyzed and discuss a forward-looking, dynamic and proactive approach to competency modeling explicitly aligned with strategic business needs and oriented to long-term future success. The authors described how the competency model was developed and how it facilitated strategy implementation and change by supporting communication, employee understanding of business goals, and the incorporation of new behaviors, roles and competencies in operations. A forward-looking and proactive approach to competency modeling is presented and discussed in the context of a large-scale organizational change. The organizational core competencies required for a business to compete successfully in the banking sector are defined. The right mix of skills and behaviors that the individuals would need to possess in order to produce and support those core competencies is also identified. Traditional approach to competency management, which is analogous to job analysis, focuses on competencies of successful individuals, rather than on competencies that are needed to support an organization to meet its short- or long-term objectives. It was stressed that there is a need to shift toward a forward-looking and proactive approach to competency modeling and present a competency methodology that supports this need.

The proactive thinking approach helps the organizations to come up with new strategies and also leads to new ways of looking at the things. T-Rakesh Sharma & Jyotsna Bhatnagar (2009) discussed the importance of building a talent strategy based on competency profiling in the field of strategic HRM using a case study of an Indian pharmaceutical company describing well designed talent management strategy. How it helps the organization in recruiting the best talent in the industry, in bringing down the attrition rate and added value by filling the key positions through succession planning. The case could not cover on how to develop the average talent in an organization. The
employee and employer interactions also help in knowing and identifying the existing
talents, which needs to be looked at.

The communication process plays an important role in identifying the talent of the
organization, making them important resources and also helps in formulating good
strategies with employee participation. William B. Chapel (1997) pointed the importance
of interactive processes of effective global managers need to be explored to identify,
describe, and apply concepts supporting international management, communication and
competence. Various theoretical approaches and concepts central to communication
competence, simultaneously interspersing this framework were synthesized with
illustrations in the context of international management. The purpose was to provide
information that will be useful for developing research questions, pedagogical models, or
effective management communication practices. As international management
communication competence is a cognitive process that involves acquiring (1) cultural
awareness and understanding, (2) language knowledge (verbal and nonverbal), and (3)
the motivation to use cultural awareness for the development of global business
relationships. A process was thus developed in two stages: enculturation within one's
native society and realization of the reality, validity, and distinctiveness of other cultural
values and norms.

The performance of employees and organization as a whole is not just possible by
developing competencies but needs attention through multi methods. Thomas Lans &
Martin Mulder (2009) felt that since the last decade the issue of competence has been
received with enthusiasm by the researchers and practitioners. The ongoing debate has
resulted in new notions of competence which can be seen as the continuous search for
more comprehensive conceptualizations of competence in order to contrast them clearly
with the disintegrative and reductions models of competence popular in the nineteen
eighties. One strategy in this regard is to adopt a multi-method orientation to competence.
Multi-method approaches are differentiated from classical competence approaches in the
sense that they not only incorporate generic worker attributes but also deploy a more fine-
grained analysis of actual work activities, work context and related organizational goals
and strategies. The author summarized the findings of three empirical studies in which a
multi-method approach to competence was used to study entrepreneurial competence in small firms. The results showed that even though competencies are partly idiosyncratic, situated, constructs, it is possible to formulate steppingstones for competence (i.e. competence domains). Furthermore, a more fine-grained analysis of a specific task and associated situations can assist researchers as well as practitioners with disentangling the complex relationships between competence and (small - business) performance.

In order to have better performance, organizations needs to re look at their practice of strategy formulation based on the competencies. Kak, Anjana (2009) studied four Indian organizations to analyze practice of strategy formulation and implementation based on core competencies. The cases have been developed for each organization to find out the strategic issues in much greater depth. The study was based on flexible systems methodology and was conducted using interviews. It revealed that there is a need for proper understanding of core competencies and flexible approach of organizations to make the concept more effective.

c) Competence Management in HRM Functions

The role and importance of human resource management (HRM) in organizations is very important for the success of any business. Human assets are one of the most important resources available to any organization and employee competence and commitment largely determine the objectives that an organization can set for itself and to its success in achieving them. David McClelland (1973) the famous Harvard psychologist, was the first to pioneer the competency movement across the world. The turning point for competency was through the article published in the American Psychologist in the year 1973. the article points out the general procedures followed by the HR for recruiting / selecting the employees give importance for the intelligence quotient and test scores of the candidates for the selection. He stressed on the importance of competencies to be considered for selecting the candidates. Competence management got importance in the organizations of late due to globalization, which implies tougher competition and more dynamic markets.

The organizational potential needs to be developed. Borghoff and Pareschi (1998) felt that the dynamic markets, tough markets and globalization as such help the organizations
with the possibility for increasing the competence potential of an organization through utilizing competence from different geographical locations in the global workforce. Especially the demand for effective employees continuously increases in the IT sector where knowledge and skills are crucial. Niederman (1998) Pickett (1998) also stressed that strategic competence management should thus be highly prioritized among managers.

Human resource management function as strategically important was also stressed by Ulrich and Lake (1990), Lengnick-Hall & Lengnick-Hall (1988), Agarwal and Ferratt (1999). The focus of HRM function in organization has gained increasing strategic emphasis, and the importance of aligning HRM strategy and business strategy is well acknowledged. Thus effective HRM is vital for being able to meet market demands with well qualified employees at all times.

Employee knowledge and skills get improvised and better only if they are encouraged to participate and innovate rather than limiting to routine set of activities. Jorgen Sandberg (2000) were of the opinion that in the prevalent rationalistic approaches, human competence at work is seen as constituted by a specific set of attributes, such as the knowledge and skills used in performing particular work. As an alternative to the rationalistic approaches, an interpretative approach, "phenomenography," is proposed and explored in the article. Findings suggest that the meaning work takes on for workers in their experience of it, rather than a specific set of attributes, constitutes competence. More specifically, the results demonstrate that the particular way of conceiving of work delimits certain attributes as essential and organizes them into a distinctive structure of competence at work.

Competence practices enable the organizations in identifying the right competence groups for their business activities. Mette Praest Knudsen (2000) investigated the concept of “competence groups” and identified a number of dimensions that facilitate operationalization of a competence group construct in research. Several methods for defining competence groups – including groups identified by analysis of patent shares and derivation of a technological “specialization index” are used to identify competence
groups in the telecommunications industry. The study identified the ways in which technological competences both enable and constrain the strategic choices of industry participants, the methodology employed contributes to development of the competence based perspective on industry structure.

Multidimensional frameworks of competency are needed for getting competitive advantage. Francoise Delamare LE Deist & Jonathan Winterton (2005) explored the definitions and usage of competence, especially in the context of training and development initiatives in the USA, UK, France and Germany, and tried to clarify the concept by incorporating knowledge, skills and competences within a holistic competence typology. One-dimensional frameworks of competence are inadequate and are giving way to multi-dimensional frameworks. Functional and cognitive competences are increasingly being added to behavioral competencies in the USA, while in the UK cognitive and behavioral competences are being added to the occupational functional competence model. France, Germany, and Austria entered the arena more recently, adopted from the outset more holistically, but different, approaches. After comparing these approaches, it is argued that a holistic framework is useful in identifying the combination of competences that are necessary for particular occupations and to promote labor mobility.

According to Maurice M. Grzeda (2005) the competence framework continues to be plagued by unresolved conceptual ambiguity. In this paper author aims to consider other perspectives of managerial performance. It was a conceptual article that examined and critiqued current perspectives of competence based on an extensive literature review. And found that the sources of conceptual ambiguity are rooted in treating competence as both independent and dependent variables in relation to managerial performance. A managerial learning framework and a career perspective may offer less ambiguous, more promising conceptual frameworks for managerial performance. The arguments presented for moving beyond the competence framework need to be developed into propositions that can be tested empirically. Management development and education activities may not be achieving their intended outcomes due to the level of conceptual ambiguity found with the competence framework. It may be necessary to reconsider the efficacy of
development programs and activities that rely on a competence approach. Conceptual ambiguity regarding competence has been previously noted. Author presented an analysis of the possible sources of ambiguity, and the dilemmas faced when trying to reduce the level of ambiguity. By clarifying these issues, this paper could be of value to researchers in the management development field and to practitioners involved with employee and managerial development.

The biggest problem faced by the organizations is of placing right person in right place. Competence mapping helps in knowing its skills needed for the job and help the HR in placing the right person. Lucian Cernusca, Cristina Dima (2006) explained the concept of competency and how competency is linked to performance and ones career development. The authors have also looked into some models of competency mapping and appraisal tools for performance management. A business might possess extremely capable human resources, but they might not work on the position that suits them. This is where competency mapping and the appraisal tools come to help the HR experts choose who should work on what position.

According to Andreas Schmidt and Christine Kunzmann (2006) competencies are abstractions of work-relevant human behavior that emerged as a promising concept for making human skills, knowledge and abilities manageable and addressable. At the organizational level, competence management uses competencies for integrating the goal-oriented shaping of human assets into management practice. At the operational and technical level, technology enhanced workplace learning uses competencies for fostering learning activities of individual employees. These two perspectives belong together, but in practice, a common conceptualization of the domain is needed. Thus they presented a reference ontology that builds on existing approaches and experiences from two case studies. Technology plays a greater role in the context of global scenario.

The advances in technology enable the process of development and implementation of competencies. C-Rob Koper, Marcus Specht (2007) focused that organizations are using several approaches for selection installation and usage of IT based tools, the author also identified the challenges and issues faced by the organizations and thus tried to help
individuals, groups and organizations in developing their competences for life long. They identified seven major problems that are responsible for the lack of such infrastructure, and the solutions to these problems formed the core requirement for the development of the ten-competence infrastructure. Thus the authors came out with ten competence project aims forward for integration of the different tools, perspectives and learning environments in a common open source infrastructure based on today’s standards on the level of knowledge resources, learning activities, competence development programs and learning networks. Competence will integrate tools in a service – oriented architecture (SOA) and can be used for evaluating the approaches in a variety of pilot applications for lifelong competence development.

The competence practices of the organization leads to transparent approach of doing the things. Patricia Wallace Ingraham, Heather Getha (2005) brought the concept of how the principle of merit in appointment and promotion has developed since the nineteenth century and examines contemporary applications of competency frameworks in the US – their development, character, strengths and weaknesses. They were of the opinion that if core competency discussions and frameworks are to have a broader impact at both the government wide and the agency level, the frameworks will have to be disentangled. Existing notions of competencies for the political appointees, the leadership echelons of the career service, the rest of the career service, the entire government, central agencies, individual agencies, and badly needed future leaders not only suggest superhuman abilities, but also contain seriously conflicting expectations.

The employees are valuable assets for any organizations and thus attention towards development is highly essential. Bjarne Espedal (2005) defined management as a source of organizational competitive advantage and from the view that managers are some of the employees most vital to a firm. According to influential theories in the field of strategic management, such human assets should be protected, governed, and developed internally. In contrast to the traditional view of core competence, they suggest that firms have to use external as well as internal resources to develop employees with unique and valuable capabilities and skills. Thus they made the argument that a mix of internal and external
developmental resources might be an important mechanism in the creation of management development as a dynamic capability or as a means to develop human assets that are one of the main sources of competitive advantage.

According to Vichita Vathanophas, Jintawee Thai-ngam (2007) human assets are one of the most important resources available to any organization and employee competence and commitment largely determine the objectives that an organization can set for itself and to its success in achieving them. Therefore, the demand for effective employees continuously increases in both public and private organizations. The ‘Competency-based’ approach to human resource management has become integral during the last thirty years, with ‘Competency’ encompassing the knowledge, skills, abilities, traits and behaviors that allow an individual to perform a task within a specific function or job (Boyatzis, 1982). In this study an attempt was made by the authors to identify the required competencies and develop a competency model for effective job performance at the Chief of the General Administrative Sub-Division position level in the Thai Department of Agriculture using the Behavioral Event Interview (BEI) technique (Spencer & Spencer, 1993). The study found that there were twenty-three competencies that superior job performers used in carrying out the job well. Consequently, the researcher used current level of importance of competency as primary information to recommend nine competencies in a competency model. The competency model presented would help the Thai Department of Agriculture to respond to government policy regarding human resource management, provide useful information.

Technology also plays an important role in the process of employee development and the right technology needs to be identified. Patricia Ordonez de Pablos and Miltiadis D.Lytras (2008) sought to analyze the organizational requirements for the exploitation of human resource management towards increased organizational performance, and provided a conceptual framework for the analysis of human resource management in learning organizations. They used the form of an extensive literature review on human resource management (HRM), organizational learning and human capital. They identified that the major contribution is the Requirements Framework for the Adoption of
Technology Enhanced Learning and Semantic Web Technologies, which can guide strategies of effective competencies management in modern organizations. They could list out the limitation as the Requirements Framework provides the basis for an extensive specification of knowledge management strategies. The practical implications from the paper is that it is a very useful source of information and impartial advice for strategists, HRM managers, knowledge management officers and people interesting in exploiting human resource management systems in a knowledge-intensive organization.

According to Frans J. Prins, Rob J. Nadolski, Adriana J. Berlanga, Hendrik Drachsler, Hans G.K. Hummel & Rob Koper (2008) competence development of learners and professionals, focus should be on competences and corresponding competence development opportunities have to be identified. Personal Recommender Systems (PRS) provide personal recommendations for learners aimed at finding and selecting learning activities that best match their needs. This article argues that a clear-cut description of the concept of ‘competence’ is needed for appropriate system-based personal recommendations. It proposed to extend current initiatives on standardization of modeling competences with the concept of ‘Learning and performance situation’ (LP-situation) and it claims that this extension has added value for personal recommendations for adequate selection of learning activities, for determining proficiency levels of competences, for the design of learning tasks, and for accreditation of prior knowledge. Advantages and disadvantages are discussed.

Matthew H. Sauber, Hugh B. McSurely, V.M. Rao Tummala (2008) focused on the virtues of embedding learning competency development and measurement in the design of educational programs. This is an issue of ongoing relevance to education in general, and of growing relevance to higher education in particular. As psychometric methodology advances, quality assurance and continuous improvement in education place greater emphasis on learning outcomes. As such, the identification and measurement of competencies become issues of increasing importance in educational systems around the world. In this paper authors aimed to show the process of designing and measuring learning competencies in program development. Using cross-sectoral comparisons to draw on programmatic and pedagogical strategies, more commonly
utilized in vocational education, and transfer the application of these strategies into curriculum development in higher education. Using a case study approach, the paper detailed the process of identifying and measuring learning competencies in developing specialization and graduate certificate program in supply chain management. The findings are development of competencies used as interdisciplinary framework to infuse interaction among stakeholders – faculty, students, and practitioners. The process focused on competencies at the program level as opposed to certain course or class level. The result produced more realistic competencies addressing student learning. The competency approach presented challenges in collecting and analyzing assessment data and opportunities to continuously improve the program. Data on student self-assessment of learning competency as well as course work (exercises and assignments) were collected, analyzed, and reviewed. They resulted in changes in textbooks, class exercises and assignments, and faculty lectures.

The employees today are at the centre stage of the organizations and needs to be taken care of right from the hiring to select the best. Ágnes Csiszár-Kocsir, Mónika Fodor, Erika Varga (2008) were of the opinion that human resources have always been playing a decisive role in economic life. The company’s competitiveness, success and market position greatly depends on its human factor organizing and running it from the background. Although competency-based HR practices are rather expensive, it is worth the price as the costs spent on recruitment can only be covered when the most suitable, the most competent applicant is hired. On the other hand, retraining, restructuring and stressing the role of competencies in Human Resources Management are also in the centre of attention and are becoming more and more “fashionable” today. In their opinion companies should invest more money to improve their human resources by means of trainings and education, because it pays off even if in the long run and finally results in comparative advantages. Besides, competencies can also contribute to the employment of young starters or graduates of higher education.

The competency based models and approaches allow the management and an organization to be on forefront thereby allows emerging successful. Michelle R. Ennis
(2008) felt that for over 30 years, business and industry has utilized competency models to select employees. The trend to use competency-based approaches in education and training, assessment, and development of workers has experienced a more recent emergence. With the mobility of the workforce and retirement of the baby boomers, competency models are being used for succession planning as well. It is within the last few years that the Employment and Training Administration (ETA) has turned its focus on skills acquisition and assessment to the competency model process for determining the needs of business and employers and the requirements of skilled workers. Recently, ETA has been engaged with business, industry, and education/training leaders to develop competency models for targeted industries and broker information on resources that are used based on or used in conjunction with competency models to efficiently prepare the workforce. In this paper author examines the role of competency models in human resources practices and discusses where the ETA Competency Model Clearinghouse has assisted in sharing competency related information and resources to the publicly funded workforce investment system and private industry.

Competencies enable the students also in identifying the gaps and upgrading themselves to face the competition ahead. Troy V. Mumford (2009) felt the ability to competently manage employee performance is critical for students graduating with degrees in management. And thus provided a competency development exercise (CDE) for use in graduate and undergraduate management courses to increase students’ performance management competence. The CDE includes providing employee feedback, disciplining employees, and conducting termination meetings. Procedures and assessment tools were provided for utilizing the exercise in conjunction with video technology and multisource feedback. Guidance was also given for adapting and condensing the CDE from 3-6 hr to 30-60 min. Finally, data was presented showing that the exercise significantly affected students’ performance management competence.

According to Soo – Young Shin, Won – Woo Park (2009) the moderating effect of group cohesiveness both at the individual and at the group level. In the individual level study, moderating effect of group cohesiveness was tested with 249 employees from a Korean
manufacturing company. Group cohesiveness turned out to have a negative moderating effect on the individual competency performance relationship, and this finding suggests that competency of a given group member would be restrained by other group members under high cohesiveness. For the group-level study, group data of 42 teams from the same company were formed. Unlike the results at the individual level, group cohesiveness had a positive interaction effect with competency on performance at the group level. In other words, group cohesiveness reinforced competent group to achieve better performance.

The globalized world has forced the organizations to be competent. Ali Shirazi1 and Saeed Mortazavi (2009) opined that the uncertainty and unpredictability of future events has stimulated interests in research on the nature and characteristics of changes and trends that will be likely to drive competitive performance in the future. Many prominent scholars, including Toffler, Drucker, Handy and Naisbitt, have attempted and identified key drivers of change in the 21st century. The study reviews the current schools of thought in futures studies and major business forecasts in order to highlight the key areas of change in business environment and management. A survey questionnaire was designed and administered to determine the perceptions of managers about managerial competencies and effective managerial performance. The findings revealed that managers’ performance in the coming decade is primarily measured against the quality of their relationships with customers, followed by communication, team building, and goal accomplishment competencies. Effective management performance is essentially linked to managers’ ability to manage relationships, processes and time.

The liberalization and the globalizations policies paved the way to multinational corporations and teams thus to face the competition, they have to acquire themselves with the competencies. Aida Hairo & Markus Pudelko (2010) endeavored to understand the factors that enable effective functioning of multinational teams (MNTs) but with few exceptions they have ignored studying the competences of MNT leaders. And presented those competences leaders must possess in order to effectively lead MNTs. The findings were based on 70 problem-centered interviews with MNT leaders and members from five
multinational corporations. The competences that are used for the interviewees mentioned most frequently for effective leadership were knowledge management and transfer. And found that a leader must be cross-culturally competent and multilingual in order to motivate MNT members to fully explore, exploit and transfer valuable knowledge within the team and beyond.

According to Edward Fee and Charles J. Hadlock (2003) found that executives who jump to chief executive officer (CEO) positions at new employers come from firms that exhibit above-average stock price performance. This relationship is more pronounced for more senior executives. No such relationship exists for jumps to non-CEO positions. Stock options and restricted stock do not appear to significantly affect the likelihood of jumping ship, but the existence of an "heir apparent" on the management team increases the likelihood that executives will leave for non-CEO positions elsewhere. Hiring grants used to attract managers are correlated with the equity position forfeited at the prior employer and with the prior employer's performance in the article.

Leaders are pillars of the organization and needs high attention as they help the organization in realizing their goals. Richard Bolden (2006) indicated how the competency approach to leadership could be conceived of as a repeating refrain that continues to offer an illusory promise to rationalise and simplify the processes of selecting, measuring and developing leaders yet only reflects a fragment of the complexity that is leadership. To make this argument he drew on two discrete sets of data: a review of leadership competency frameworks and an analysis of participant reports from a reflective leadership development program. A lexical analysis comparing the two data sets highlights a substantial difference with regards to the relative importance placed on the moral, emotional and relationship dimensions of leadership. The implications of these differences are considered, as are ways in which the competency approach could be aligned more closely with the current and future needs of leaders and organizations. In particular, he argued that a more discursive approach that helps reveal and challenge underlying organizational assumptions would be more beneficial if organizations are looking to move beyond individualistic notions of
leadership to more inclusive and collective forms. Methodological issues were also raised around the comparative analysis (both semantic and linguistic) of apparently incommensurable texts.

**d) Models** - Modeling competences is an integral part of any HRM and e-learning related activities. HR departments use competence descriptions to define requirements needed for performing specific tasks or jobs. The competency models describes the competencies to be possessed by the top performers in a specific job etc. Models usually contain 8-16 competencies with definitions, often grouped into clusters along with behavior definitions, often grouped into cluster along with behavioral descriptors.

Gregory C. Kesler (1995) presented a model and a detailed process for redesigning the HR function by contracting with line executives for new roles, and by upgrading the competencies of with the HR grid.

Dan P. McAdams (1992) positioned the five-factor model within the multifaceted field of personality psychology by highlighting six important limitations of the model. The models are 1) inability to address core constructs of personality functioning beyond the levels of traits, 2) limitations with respect to the prediction of specific behavior and the adequate description of persons lives, 3) failure to provide compelling causal explanations for human behavior and experience, 4) disregard of the contextual and conditional nature of human experience, 5) failure to offer an attractive program for studying personality organization and integration, 6) reliance on simple, non contingent, and implicitly comparative statements about persons. The five factor model is the psychology of a stranger providing information about persons that one would need to know when one knows nothing else about them. And argued that because of inherent limitations, the big five can be viewed as an important model in personality studies but is not the integrative model of personality.

According to Kai Reinhardt and Klaus North (2003) the present state of research on competence management does not provide any suitable model that can be used in
practice. Neither results from organizational nor from cognitive and social sciences meet the requirements for an application-oriented competence management completely as yet. An integrative competence management must be able to synchronize individual with organizational competencies. He argued that this linking is still neglected in research. A convenient solution has not been described yet. A Model was presented for an integrated competence management, which gives approaches from both cognitive science and organizational science along with a practical framework of action.

Graham Cheetham, Geoff Chivers (1998) came out with a model as he felt that professionals acquire and maintain their professional competence and for this purpose a model of professional competence was needed which would inform be useful as a interview structure. The existing models had many useful insights to offer but none offered a fully comprehensive model. Thus authors tried to construct a more holistic model which drew on a number of earlier approaches and they brought together the reflective practitioner and competence approaches and created a model.

Anders Drejer (2000) was concerned with the formulation of a framework for understanding the development and change of the competences of firms. Today, there is near universal agreement that the competitiveness of firms rests on the (core) competences that firms possess. However, little attention has been devoted to the notion of competence development. In the paper, it is argued that there is, indeed, a need for research and management practice of competence development. It is also argued that organizational learning theory is a key to understanding competence development. Based on this, a model for competence development is proposed.

Tobias Ley (2003) presented a formalization for employee competencies, which is based on a psychological framework separating the overt behavioral level from the underlying competence level. On the competence level, employees draw on action potentials (knowledge, skills and abilities) which in a given situation produce performance outcomes on the behavioral level. Author’s conception is based on the competence performance approach by [Korossy 1997] and [Korossy 1999] which uses mathematical structures to establish prerequisite relations on the competence and the performance level. From this
framework, a methodology for assessing competencies in dynamic work domains is
developed which utilizes documents employees have created to assess the competencies
they have been acquiring. By means of a case study, and showed how the methodology
and the resulting structures can be validated in an organizational setting. From the
resulting structures, employee competency profiles can be derived and development
planning can be supported. The structures also provided the means for making inferences
within the competency assessment process, which in turn facilitates continuous updating
of competency profiles and maintenance of the structures.

Richard Bolden (2006) did not agree with what Ulrich (1998) has suggested that
intellectual capital is a product of competence and commitment. This broad proposition,
though intuitively appealing, does not identify theoretical links between these variables,
and has little empirical foundation. This paper draws on organizational behavior theory to
propose a model that specifies mechanisms, intermediate linkages and boundary
conditions that predict intellectual capital. In doing so, it responds to a recent call for
research that is specific about human resource management–firm effectiveness
relationships. Moderated relationships between competence, commitment and control are
proposed as predictors of intellectual capital. Implications for future theory and practice
are highlighted.

Fotis Draganidis and Gregoris Mentzas (2006) reviewed the common and wide spread
competency management systems, and studied their characteristic applications to find
future research directions and proposed a method for developing competency method. He
defined the key concepts of competency management and analyzed the competency life
cycle and core application areas of competency management systems, and also described
the different phases in developing a competency model. Examined the CM features of 22
CM systems and 18 learning management systems while discussing on the technologies,
which will be evolutionary in the competency management area. Found that the areas of
open standard (XML, web services, RDF), semantic technologies (ontologies and the
semantic web) and portals with self-service technologies are going to play a significant
part in the evolution of CM systems. Thus, emphasized the beneficial attributes of CM for private and public organizations.

e) **Identification of competencies** - Identifying job competencies has traditionally used more art than science. Competencies are most often identified through a combination of techniques and models (Marrelli, 1998). Techniques include interviews, focus groups, surveys and observations. Competencies identification helps in hiring the right candidate, promoting the right person all the more helps in developing the employees.

David C. McClelland (1998) dwelled on how to identify competencies based on the behavioral event interviews according to the principles of a new approach to assessment, which produces assessments that are reliable and validly associated with success as an executive. He was of the opinion that these assessments are not influenced by length of protocol or by performance in the preceding year. Bias is not a problem if both the interviewer and the coder are blind to executive success. In contrast to a traditional psychometric approach based on regression analysis, an algorithm based on competency scores predicted managerial success and improved performance across a number of samples. This algorithm identified potential outstanding performers as individuals whose scores reached designated tipping points within clusters of substitutable competencies. Experts’ judgments of competencies needed or shown by executives in various positions agreed only moderately with competencies shown to be important by the data from behavioral-event interviews.

John Hayes, Alison Rose-Quirie & Christopher W.Allinson (1998) tried to identify if there is a set of universal senior management competencies in the context of one large multi-site service organization. They chose four distinct work environments and a list of competencies are perceived to be important by managers working at the same grade in each of those environments. Hence parameters of performance traits, measurement techniques need to be identified for identifying the universal competencies.
The knowledge of the performance traits and the measurement techniques helps in coming out with the success parameters of the high performers. Paul Kunst & Jos Lemmink (2000) studied the results of a European study aimed at identifying and exploring success parameters of high (quality) performance and their possible interrelationships in 3 sectors and limited the present study on the hospital sector. Examined if criteria other than those used in the European Quality Assurance (EQA) model are more accurate in identifying quality progress and business performance of hospitals. The study shows that different explanatory variables are linked to progress in total quality management (TQM) and business performance. He concluded that the application of EQA model as an evaluation instrument is subject to debate and there is positive link between progress in TQM and perceived service quality by customers. Progress in TQM leads to higher business performance of the hospital, indicating the efficiency/cost effect, and to a higher perceived service quality by patients, indicating the effectiveness.

The implementation and application of the technically advanced TQM and the other models require huge investments, which is only possible in large organizations. David M. Tweed and Judy H. McGregor (2000) argued that managerial competency differs intrinsically in small versus large organizations. In the small firm managerial competency of the owner – manager is argued to be conceptually equivalent to the notion of “organizational competence”. Managerial competence and innovation in small to medium sized enterprises using a sample of 1,514 firms in New Zealand was studied. Associations are examined between six generic categories of managerial competence and five categories of firm performance. The result showed that managerial competences are associated with the achievement of the goals and also showed that the size of the firm does impact on the way in which competence is manifested.

The competences are not only associated with the size of the organization but it also deals with the traits of the entrepreneur and their interest in developing the competencies. Bill McKelvey (2000) reviewed the various aspects and theories of entrepreneurial competencies. The study reported the research findings of entrepreneurial traits,
knowledge and skills of small business owner/managers in the growing firms in Hong Kong. Using critical incident technique and based on the grounded theory, different patterns of competency clusters consisting of skill, traits and knowledge were identified from analysis of incidents recorded through in-depth interviews with owner/managers.

Several discussions took place to identify the role of traits and the knowledge one has in measuring the performance of high performers. L. LA Grange, G. Roodt (2001) also tried to determine whether personality and a measure of cognitive ability ('verbal reasoning ability') would significantly predict the job performance ('managerial ratings') of sales people in a large South African Insurance company. The Customer Contact Styles Questionnaire (CCSQ 5.2) and the Verbal Evaluation Test (VCC 3) were administered to 170 broker consultants, and the managers rated their job performance on the Customer Contact Competency Inventory (CCCI). By making use of multiple regression analysis it was found that certain personality dimensions significantly predict job performance, and that 'verbal reasoning ability' did not have any significant predictive power. The findings, the implications thereof and suggestions for possible further research are discussed in the article.

The role of skills for determining the performance had grabbed the scholarly attention. Scott Taylor, Richard Thorpe & Simon Down (2002) explored the negotiation of managerial legitimacy in smaller organizations, considering managerial competence as a situated process. The central issue addressed by them is how employees and line managers use formal education, management development, and experiential or cultural competence as resources in defining the managerial role. They suggested that managerial legitimacy and authority are negotiated along two axes: local, technical expertise and non-local, abstract knowledge. The material effects of the negotiation of manager-managed relations were analyzed in relation to determining employee payment levels based on judgments of skill. They also explored the implications of this for understanding the social construction of competence in smaller organizations.
The communication also has its own importance by way of a channel for the knowledge transfer, understanding, as a mediator for reaching the target. Francesca Golfetto (2003) proposed a view of communication that uses tools and communication codes that seek to represent the supplier’s skills as a specific competence provider. This approach is supported by the resource-based view (RBV), but takes a cue from business practice and, above all, content transmitted through tools other than advertising. These tools propose experiential communication, i.e. a communication in which the supplier’s skills can be tested and compared. The content of “competence based communication” reflects the way by which competencies are transferred from supplier to customer: this is realized in part by the product (which we call “solid” or “standardized” competence) an in part by the supplier’s ability to align with the customers processes and needs (“fluid” or “adaptable” competence), while the function of effectiveness (innovation, for example) and networking are almost exclusively centered on the potential of capability (fluid competence) provided by the supplier to the customer.

According to Lindgren, Henfridsson, Schultze, Ulrike (2004) the literature on competence in organizations recognizes the need to align organization level core competence with individual level job competence. It does not consider the role of information technology in managing competence across the macro and micro levels. To address this shortcoming, authors embarked on an action research study that developed and tested design principles for competence management systems. This research developed an integrative model of competence that not only outlines the interaction between organizational and individual level competence and the role of technology in this process, but also incorporates a typology of competence (competence-in-stock, competence-in-use, and competence-in-the-making). Six Swedish organizations were part of the research project, which took 30 months and consisted of two action research cycles involving numerous data collection strategies and interventions such as prototypes. In addition to developing a set of design principles and considering their implications for both research and practice, this article included a self-assessment of the study by evaluating it according to the criteria for canonical action research.
Authors Erna Haland & Aksel Tiora (2006) felt that competence and competence development are ‘buzz words’ widely used in organizations in Norway, as well as in other countries. Competence, as the company's most important and valuable resource, is constantly highlighted. They raised such questions as - does this imply for the organization and for the employees? What are comprised in the concept of competence? This according to them presented different understandings of competence among employees in the large Norwegian oil company, Statoil, which they studied, as well as some of the different views on competence found in the literature. Using semi-structured interviews in two different stages of a process of implementing a net based learning system, and found that the focus was more on competence as asset than competence as process. This leaves out important dimensions of competence in the complex society of today and as expressed by several of the employees in Statoil.

According to Giuseppe Berio, Mounira Harzallah (2007) competences in organizations comprises of several heavy processes which the authors have categorized into four classes they are competence identification, competence assessment, competence acquisition and competence usage. Competence management, comprising the management of knowledge about competence, can take advantage from the knowledge engineering techniques to support the mentioned process categories. The authors described how the knowledge engineering techniques proposed in the literature can be used to support the various competence management processes. They also discussed the knowledge engineering techniques like their strengths, benefits and weaknesses in the context of the process categories that are carried out. They proposed an integrating architecture for competence management. A running example is used throughout the paper to better illustrate knowledge techniques and their applications to the competence management.

question remained: what are collaborative competencies? Many skills are theoretically connected to collaboration, but these links were not tested empirically. Following the methodology developed by McClelland (1973, 1975, 1976) and furthered by Spencer & Spencer (1993), thus presented a collaborative competency study. This investigation involved the use of matched criterion samples (superior versus average collaborators) from the federal government. Individuals in the criterion samples were interviewed using the Behavioral Event Interview (BEI) design to identify differentiating competencies and create a competency model for future validation.

Further Laveesh Bhandari and Payal Malik (2008) brought out that workers are migrating permanently or on a short-term basis, within a company or changing companies, sometimes changing occupations in search of a more fruitful work profile and lifestyles. Companies in turn are hiring internationally – sometimes for employment in a single location and sometimes moving their employees across national borders. India is a significant contributor to this phenomenon; it is exporting talent internationally in a big way and is considered to be a significant ‘threat’ internationally. But given its vast and rapidly increasing English-speaking workforce India is emerging as a major supplier of international talent. International and domestic migration has attained significant importance on the national as well as international platform. Growing mobility of labor in a global economy, consequent population and demographic impacts, coupled with enhanced security concerns, have together underlined the importance of good migration management policies to transform it into an efficient, orderly and humane process. The paper provided a comprehensive analysis of the process of migration in India. This analysis is undertaken under three broad themes with Section 2 covering issues such as: What is the scale and scope of talent migration both (i) within India and (ii) between India and the world? Section 3, primarily covering the supply side issues, will describe the demographic dividend of India and provided a perspective to the same by discussing the employability constraints of the working population of India. In this context the following questions become important: (a) how to convert this demographic dividend into an employable dividend; (b) Whether and how short term training by hirers (with an international/domestic orientation) can improve the employment potential of the
Indian workforce?; (c) Whether and how domestic skills shortages result in leading Indian companies seeking talent overseas? Finally, Section 4 of the paper briefly discussed the gains and costs of migration and followed by conclusions and recommendations focused on fully harnessing the gains and mitigating the costs in Section 5.

According to Thomas Lans & Martin Mulder (2009) their paper was an outcome in search of more comprehensive conceptualizations of competence in order to contrast them clearly with the disintegrative and reductions models of competence popular in the nineteen eighties. One strategy in this regard is to adopt a multi – method orientation to competence. Multi method approaches are differentiated from classical competence approaches in the sense that they not only incorporate generic worker attributes but also deploy a more fine gained analysis of actual work activities, work context and related organizational goals and strategies. The author summarized the findings of three empirical studies in which a multi method approach to competence was used to study entrepreneurial competence in small firms. The results show that even though competencies are partly idiosyncratic, situated, constructs, it is possible to formulate steppingstones for competence (i.e. competence domains). Furthermore, a fine – grained analysis of a specific task and associated situations can assist researchers as well as practitioners with disentangling the complex relationships between competence and (small – business) performance. Competence management is an important part of HRM practice where the aim is to generate competencies that provide the organization with the right mix of talent to meet existing and future needs (Nordhaug 1993, Ulrich etal. 1990).

Section – 2 - Talent Management

Talent management is a complex collection of connected HR processes that deliver a simple fundamental benefit for any organization. Talent management, often referred to as Human Capital Management, is the process of recruiting, managing, assessing, developing and maintaining an organizations most important resource – its people. It is the end-to-end process of planning, recruiting, developing, managing and compensating
employees throughout the organization. The 4 pillars of talent management are recruiting, performance management, learning management and compensation management. Organizations worldwide are facing the problems of managing the talent, shortages in talent etc. Talent management is gaining attention. Talent management brings together a number of important human resources and management activities. Organizations that formally decide to manage their talent undertake a strategic analysis of their HR processes.

a) Importance of talent - The opportunities are few and the unemployment is high. Competition among candidates for what little career mobility may exist is intense. It is evidenced by the Nasscom – Mc Kinsey Report 2005 which indicates that, while more than three million students graduate from Indian colleges and the Indian nation produces 500,000 engineers annually, only a very small percentage are directly employable by the industry. That is only 25% of the technical graduates and 10-15% of the general graduates. This is due to the fact that the education system is still inadequate and does not ensure 100 percent literacy for the country’s population. Industry has to initiate to fill the talent gap and fulfill their manpower gaps.

Development of the workforce is the foremost important aspect that needs to be dealt with for effectively managing the talent of any organization. Jeffrey L. Kerr and Ellen F. Jackofsky (1989) were of the opinion that several articles have recently been published stressing the importance of matching managerial talent with organizational strategy. These have generally relied on selection to 'fit' the manager to the strategy. Hence authors proposed the use of management development as an alternate means of achieving manager-strategy alignment. Therefore management development is defined as, its role in strategy implementation is discussed, and its benefits and costs are identified. Which are contrasted with the costs, benefits and strategic role of selection. It is suggested that choice of alignment method (i.e. management development versus selection) is contingent upon particular strategic, structural and cultural factors. These contingency relationships are presented as a series of research propositions.
Mark Busine & Bruce Watt (2005) observed that in today’s increasingly complex business environment, the issue of identifying and preparing the next generation of leadership talent was consistently cited by executives and boards as one of their most critical business priorities. The authors felt that despite this, most organizations consistently rate their succession management practices as less than effective. A range of external and internal factors influences the issue of succession management. They reflected on current research and experience to explore existing practices and trends and provided a platform for the implementation of more effective initiatives moving forward.

Both Julia Christensen Hughes and Evelina Rog (2008) tried to clarify what talent management meant and why it is important (particularly with respect to its affect on employee recruitment, retention and engagement), as well as to identify factors that are critical to its effective implementation. The article was based on a review of the academic and popular talent management literatures. It was noticed that talent management is an espoused and enacted commitment to implementing an integrated, strategic and technology enabled approach to human resource management (HRM). This commitment stems in part from the widely shared belief that human resources are the organization’s primary source of competitive advantage; an essential asset that is becoming in increasingly short supply. The benefits of an effectively implemented talent management strategy include improved employee recruitment and retention rates, and enhanced employee engagement. These outcomes in turn have been associated with improved operational and financial performance. The external and internal drivers and restraints for talent management are many. Of particular importance is senior management understanding and commitment. Hospitality organizations interested in implementing a talent management strategy are advised to: define what is meant by talent management; ensure CEO commitment; align talent management with the strategic goals of the organization; establish talent assessment, data management and analysis systems; ensure clear line management accountability; and conduct an audit of all HRM practices in relation to evidence-based best practices. This helps any one seeking to better understand talent management or to improve employee recruitment, retention and engagement.
Kirkland (2009) presented information on talent management programs for blood services management. The importance of good leadership is emphasized upon, along with the requisite leadership qualities of adaptability, responsibility and courage. Instructions were also provided on the development of a talent management program to gain such degrees of leadership. A case study of a blood center, Caridian BCT is presented, on the steps to be followed for employee motivation.

In times of economic downturn also, the management of talent, needs a lot of attention. Frauenheim (2009) focused on the continuing need for talent management products by U.S. firms to make smarter job cuts, maximize employee performance and keep tabs on employees, during the recession. It mentioned that fitness firm Town Sports International LLC is using recruiting software from Kronos Inc. to hire the right personnel. It discussed various factors that are influencing the U.S. demand for talent management software including the dynamic job market and search for future talent.

b) **Strategy** - According to Lloyd Strategy is about planning to reach a vision, which differentiates a company from its competitors in a positive way. It encompasses overall direction as well as the many detailed activities that occur in a company. Strategic success generally depends on possessing an enlightened and unique vision as well as doing the many things needed to achieve the vision well.

Strategies should be adopted not only to achieve the goals but also to maintain cordial relationships with the external stakeholders of the business. Bente Lowendahl and Oivind Revang (1998) argued that the global changes at the societal as well as the individual level affect strategic management theory and practice in two ways: the actual relationships between firms and external stakeholders (e.g., customers), and they alter the relationships between firms and internal stakeholders (e.g., employees). After briefly outlining the changes observed, they analyzed a number of contributions to strategic management theorizing and argue that as researchers we tend to focus primarily on one of these dimensions of complexity: internal or external. They then, continued by discussing how the post-industrial context will require fundamentally different approaches, as the
dimensions of internal vs. external collapse, and as a result even the notion of an industry, becomes blurred. In the new context, one needs to go beyond the theoretical lenses and paradigms and be trained in, to explore the implications of these changes at a more fundamental level. For the traditional theories, there is a need to refocus attention on the underlying assumptions, in order to explore their areas of applicability and the limits to their relevance. In addition, we need to discover and invent new theories and approaches relevant to this specific context.

The efforts for attracting the best and retaining the best are not really contributing the organizations. Michael C.Sturman, Charlie O.Trevor, John W.Boudreau, Barry Gerhart (2003) felt that “winning the talent war,” the attraction and retention of key talent, is increasingly pivotal to organization success, executives often report that their organizations do not fare well on this dimension. Authors suggested and demonstrated how, through integrating turnover and compensation research, the Boudreau and Berger (1985) staffing utility framework can be used by step process that combines organization-specific information about pay and performance with research on the pay-turnover linkage. Estimated the effects of incentive pay on employee separation patterns at various performance levels. The utility framework was used to evaluate the financial consequences of incentive pay for employee retention in the organizations. The demonstration illustrated the limitations of standard accounting and behavioral cost-based approaches and the importance of considering both the costs and benefits associated with pay-for-performance plans. The results suggested that traditional accounting or behavioral cost-based approaches, used alone, would have supported rejecting a potentially lucrative pay-for-performance investment. In addition, their approach will enable HR professionals to use research findings and their own data to estimate the retention patterns and subsequent financial consequences of their existing, and potential, company-specific performance-based pay policies.

With all the developments information is readily available due to the technology, thus employees are having many choices to select the preferred job. Gene M.Grossman (2004) studied the interaction between imperfect labor and contracts and international trade in a
setting in which workers have private information about their own abilities. When an individual’s contribution to firm output can be measured accurately in some activities but not in others, the most able workers select occupations in which their pay most closely reflects their performance. In a world economy with two otherwise similar countries that have different distributions of talent, the country with the more heterogeneous labor force exports the good that is produced by the most talented individuals. Thus, concluded that trade exacerbates the “polarization” of the labor force and often worsens the distribution of income.

The individual traits of the employees are the distinguishing factors of talent that separates the best in a group and hence organizations should aim at identifying the distinct traits an individual possess. John W. Jones, Catherine C. Maraist, Noelle K (2004) investigated whether or not talent management indices (i.e., leadership potential, leadership style, sales potential, etc.) can be predicted from narrow personality traits. Using a double cross – validation strategy the data (N-10,261), which are representative of the united States general population, the study indicates that personality, as measured by the 16 personality factors (16PF), predicts talent management indices.

According to Chris Ashton, and Lynne Morton (2005) Talent Management is more than a new language for old HR work or just the next “hot new thing for HR practitioners and managers to get involved in. For many organizations, it has become a strategic imperative. McKinsey research reveals that 75 percent of corporate officers were concerned about talent shortages and Deloitte reports that retaining the best talent is a top priority for 87 percent of surveyed HR directors. On the basis of substantive research undertaken their forthcoming report, they argued that good TM is of strategic importance and can differentiate an organization when it becomes a core competence. According to researcher, three-quarters of business leaders have invested dedicated resources in TM – but most say they haven’t yet felt the impact of doing so. Why not? Through this research, they tried to provide reasons by asking relevant questions. Getting the right people in pivotal roles at the right time should be nothing new to HR professionals, but done effectively, talent management can create long-term organizational success. Here,
Lynne Morton and Chris Ashton show how to align talent management strategies to business goals, integrate all related processes and systems and create a “talent mindset” in the organizations using 2 case studies.

As the employees are important assets for the organizations, the strategies and policies should be formulated in such a fashion to minimize the employee turnover cost. McQuade, Eamonn; Sjoer, Ellen; Fabian, Peter (2007) presented a research project, the aim of which was to identify the potential loss of company knowledge and expertise as experienced and expert employees retire. The methodology used in this research was based on interviewing experienced and expert people who had retired or were approaching retirement: An application of expert interviewing. The interviews were conducted in five countries, across a number of sectors and involving a range of company sizes. An advisory panel of people with significant, senior level industrial experience guided the work of the research team. In addition to the potential loss of technical product and process knowledge and expertise, there is a loss of expertise in interpersonal communication skill both in the company and in communication with companies and people who are suppliers and customers, in knowing the company culture and the way things are done and in the loss of maturity and stabilizing influence. The number of people interviewed was relatively small. However, the research pointed out the need for companies, both large and small, to put in place succession planning, talent management and knowledge management processes as well as training in transferable skills or soft skills. The research team and the advisory panel involved participants from five EU countries large and small, east and west, north and south, developed and developing, EU founder members and newer accession states. It involved working in five languages and cultures.

The severe issues that the HR has to face because of the talent management strategies are increasing with the organizations. Blackman Kennedy (2006) stressed on the possibility of a growing tension between employee progression and capability development that emerges as a result of talent management strategies. It is argued that the inter-relationship between the increasing trend to develop talent management strategies, combined with
skills shortages and the attitudes of ‘Generation Y’ employees, leads to the outcomes being, potentially a reduction, rather an increase, in organizational capability. A qualitative case study was used to demonstrate this potential relationship.

According to Kim (2008) the challenges and strategies of attracting and retaining the best in government, particularly from the perspective of government in developing countries or transitional economies. Thus he briefed on the technical and practical issues of how to attract and retain the best, followed by an elaboration of current trends in human resource management (HRM). He also looked at a case of the Korean experience on HRM, followed by discussion of the theoretical and policy implications on HRM. And expressed that various kinds of best practices and new ideas are available through diverse venues around the world, but it is difficult to determine what really works for whom and how. It is not feasible to apply the same reform strategy to all countries. The challenge is, therefore, to find out what is applicable to the specific country; and how things can be applied while minimizing negative consequences. They expressed that practitioners under rapidly changing circumstances around the world with increasing pressure on performance and innovation in government, old-fashioned personnel management must be significantly transformed, in order to attract and retain the best in government as well as to win the war for talent. Thus HR managers should initiate far-reaching, much needed change in talent management in terms of how they source, attract, select, train, develop, retain, promote, and move employees through the organization. In order to make government the model employer of choice, HR managers need to make a new Copernican transition in finding a new way of human resource management.

Based on the issues the HR has to deal with, the more challenging issue is promotion and succession planning. Robert Barnett & Sandra Davis (2008) also expressed that the prevalence of formalized succession planning practices in organizations appears to be increasing, largely due to changing demographic and related trends. However, many organization leaders report low levels of confidence in their succession planning systems and processes. Best succession and talent management practices can help organizations achieve significant benefits, including improved financial performance. The Study provided a practical, five-step approach to succession planning is proposed that
incorporates both best practices and an innovative application of role theory. The approach should help organizations look to and prepare for the future more effectively including better specifying the future requirements they will have for their leaders. Implications for human resource development (HRD) professionals and recommendations for further research are listed in the article.

Talent management has become the primary issue of concern with the organizations and new ways are to be developed to solve the issues. Stevens, Howard p (2008) has focused on four things 1. On the primary causes of ineffective talent management and demonstrates how a Six Sigma/TQM approach can minimize five common pain points. 2. A talent audit system can help address the first pain point--reducing unwanted turnover--by accurately and systematically predicting the effectiveness of hiring the right talent and avoiding the wrong talent. A talent audit system is also useful for revealing data that are definable, measurable, and actionable to assist with succession planning, which is the second pain point. 3. According to Stevens, the third pain point losing top talent--often is caused by job dissatisfaction as a result of job mismatches. A talent audit can help address the main causes of poor job fit. The fourth pain point occurs when the right person is matched to the wrong job. Through a talent audit database, organizations can benefit from a complete inventory strengths and weaknesses for employees in all key positions. By identifying managers who could thrive in certain roles, organizations can improve the job match of both managers and subordinates. 4. The final pain point involves training the wrong personnel. A comprehensive inventory of employees’ strengths and weaknesses, such as those found in a talent audit database can help organizations to customize their training to the individuals who will most benefit.

Discussions among HR practitioners in higher education by Butterfield, Barbara (2008) have focused on talent management; specifically, the concept of developing a college or university talent management approach balanced between planning and action. Talent management as a planning tool looks very similar to workforce planning, but where HR will experience a real opportunity for contribution to the organization is in the quality of implementation supporting the plan. The article emphasized strategic human resource
initiatives that can help realize an institution's talent goals and contribute to performance that will build future institutional capacity.

Hedricks, Cynthia A.; Robie, Chet; Harnisher (2008) used personality scores to construct three databases of global norms. The composition of the three databases varied according to percentage of cases by global region, occupational group, applicant status, and gender of the job candidate. Comparison of personality scores across the three norms databases revealed that the magnitude of the effect of composition was small, indicating that composition, as measured, had no practical significance on the personality scores. Fit ratios and rankings from a case study of high-performing individuals from diverse cultures were used to further illustrate the results. The findings suggest that a common, or global, set of norms could be used for cross-cultural comparisons, an approach that can be refined over time by the results of validity studies on samples of culturally diverse individuals. The global set of norms is possible through the development and application of Information technology systems.

Even Erik Beulen (2008) felt that the cause for talent war is the globalization of information technology (IT), in which developing countries play a major role, has caused a “war for talent.” To meet challenging growth targets, service providers find that recruitment and retention are of key importance. For developing countries, globalization offers the opportunity for economic development. The central question of this paper is how IT can be used to support service providers in these fields. Specifically, in this paper focus was on Accenture’s human resources management (HRM) processes and the suitability of applications implemented to support them. Accenture’s industrialized approach makes effective and efficient HRM processes possible. The study concluded that the HRM applications now working in parallel will ultimately converge into a fully integrated application suite. As a result, the exchange of employees between the company’s branches would be still better supported, as would the collaboration between those employees, which will contribute in planning and strategy formulations also.
According to Galagan, Pat (2008) provided information regarding the practice of talent management in companies. Talent management is said to be practiced by organizations for decades but is gaining new urgency as companies find they cannot quickly come up with the talent they need to achieve their most critical goals. According to a research conducted by the Institute for Corporate Productivity, there are more than 75% of the companies they surveyed have an agreed-upon definition of talent management. The author says that the essential input to the talent management process forms the basis of effective workforce plans, strategic development priorities, and succession strategies.

The organizations of late started realizing the role of employee satisfaction with regard to the practices, policies for the retention and are coming with new ways to manage. Margaret Deery (2008) examined the literature relating to retention of good employees and the role that work-life balance (WLB) issues have in an employee’s decision to stay or leave an organization. The study also provided a brief overview of the seminal material in the more generic management literature and then tailors the discussion to the hospitality and tourism industry using literature from the hospitality and tourism journals. They also provided an overview of the key employee turnover literature within the hospitality and tourism industry for those academics researching in this area, with specific attention given to the role of WLB issues in the turnover decision-making process. It also provided a theoretical and practical framework for industry to develop strategies for reduced employee turnover, with a focus on the role that balancing work and family plays in these strategies. The key findings emerged from the literature review focused on job attitudes such as job satisfaction and organizational commitment, personal attributes such as positive and negative affectivity, the role of WLB in employee turnover and, finally, the strategies provided to alleviate high turnover rates. Recommendations to management are presented for both government and organizational consideration. These recommendations include the need for legislation on maximum, as well as minimum working hours, good role models at the workplace, flexible working hours and arrangements, sound recruitment and training opportunities and company family friendly work policies.
The organizations face many threats in their practices and procedures for managing talent. Howard P. Stevens (2008) suggested that six sigma / TQM approach that uses talent audit research and an associated database helps in minimizing the five common “pain points” they are – 1) reducing unwanted turnover by accurate skills matching and by using talent audit system for accurately and systematically predicts the effectiveness of hiring the right talent- while avoiding the wrong talent, 2) improving weak succession planning –can be expanded to all levels in the organization through talent audit system–it also reveals data that are definable, measurable and actionable, 3) loosing top talent – is because of poor job fit, 4) matching the right people to the wrong jobs– the talent audit database helps in identifying job performance skills and competencies accurately and 5) training the wrong personnel – talent audit database help organizations tailor their training to the individuals.

Further Schon Beechler, Ian C. Woodward (2009) examined the “global war for talent,” the factors that impact it, and organizations' responses to it. Using a comprehensive search of more than 400 contemporary academic and business press articles, the paper reviewed relevant research and reassessed the “talent war.” assumed that the dominant approaches to the “talent war is based on a scarcity state of mind and action, often characterized by a tactical and exclusive top talent or “star focus, are being challenged by the emergence of a more evolutionary paradigm. This new paradigm adopted more strategic, innovative, cooperative and generative approaches which were described as creative ‘talent solutions. They also highlighted implications for future research, teaching and development in the field.

The first and the foremost place should be to analyze the existing talent through effective performance appraisal. Jantan, Hamidah; Hamdan, Abdul Razak; Othman, Zulaiha Ali (2009) felt that Human Resource (HR) applications can be used to provide fair and consistent decisions, and to improve the effectiveness of decision making processes. Besides, the challenge for HR professionals is to manage the organizational talent, especially to ensure the right person for the right job at the right time. They attempted to describe the potential to implement one of the talent management tasks i.e. identifying
existing talents by predicting their performance as one of HR application for talent management. This study suggested the potential HR system architecture for talent forecasting by using past experience knowledge known as Knowledge Discovery in Database (KDD) or Data Mining. This article consisted of three main parts; the first part deals with the overview of HR applications, the prediction techniques and application, the general view of Data mining and the basic concept of talent management in HRM. The second part was to understand the use of Data Mining technique in order to solve one of the talent management tasks, and the third part was to propose the potential HR system architecture for talent forecasting.

Collings, David G; Mellahi, Kamel (2009) opined that despite a significant degree of academic and practitioner interest the topic of talent management remains underdeveloped. A key limitation is the fact that talent management lacks a consistent definition and clear conceptual boundaries. The specific contribution of their paper is in developing a clear and concise definition of strategic talent management. They developed a theoretical model of strategic talent management. They drew insights from a number of discreet literature bases. Thus, the paper aids future research in the area of talent management through (1) helping researchers to clarify the conceptual boundaries of talent management and (2) providing a theoretical framework that could help researchers in framing their research efforts in the area. Additionally, it aids managers in engaging with some of the issues they face with regard to talent management.

Behrstock, Ellen (2010) opined that teacher recruitment and retention be policy concerns for many years, more over the strategic alignment of educator talent management initiatives has only recently begun to gain momentum. Thus he said that adoption of a more comprehensive and strategic approach to securing a sufficient number of effective teachers is evidenced by the creation of human capital or talent management directorship positions and initiatives in many large U.S. school districts. Talent management directors oversee the various policies and practices that aim to attract top talent to the district. Smaller districts also are concerned with creating the appropriate mix of incentives to maintain a strong teaching force for their students. The education field is not alone in
striving to develop a workforce that can effectively deliver quality service to clients. For years, other sectors, particularly in private industry, have competed for the top talent and, arguably, have been more successful than the education sector at attracting the smartest, most motivated, and most effective college graduates. In this literature review, the author examined effective talent management practices in education and other sectors, with an emphasis on strategies to attract and retain members of Generation Y (i.e., those born roughly between 1977 and 1995).

According to the Rakesh Gupta & Ajay Pandit (2010) the growth of knowledge economy and its increasing contribution to the global economy has brought into focus the importance of highly educated and quality manpower. As the knowledge economy expands, the issue of qualified, skilled and highly educated manpower is going to assume strategic importance for countries as well as for companies. The effect of changing demographic profile and the increasing trend of outsourcing in the services sector has brought into focus the talent pool of many developing and emerging economies of the world. In this context, the Indian talent pool assumes significance for a number of reasons; one is the sheer number of students graduating every year, which makes it the largest talent pool in the world. The other factor is the growth story of the Indian economy that, to a large extent, is dependent on the growth of the services sector, especially the skill-intensive services. They examined in detail the talent pool of India and its higher education infrastructure in the light of the emerging scenario. They looked into the depth and quality of the talent pool to identify the gap areas to see whether certain niche entrepreneurial opportunities exist that can help in overcoming these gap areas. MeritTrac is an example of one such enterprise, which highlights the existence and relevance of these entrepreneurial initiatives.

According to Tarique, Ibraiz; Schuler, Randall S(2010) the environment for most organizations today is global, complex, dynamic, highly competitive, and extremely volatile, and is likely to remain so for years to come. In addition to these external conditions, most organizations are also facing several global challenges including those related to: talent flow; the managing of two generations of employees, viz., older or
mature workers and younger workers; and a shortage of needed competencies. One major result of these challenges for organizations is that they have to be global and that they have to be systematic in managing their human capital if they wish to have any hope of gaining and sustaining a competitive advantage in the years ahead. Many human resource practitioners and consultants (HR professionals) are now recognizing this, especially those that operate globally, the multinational enterprises. Academics are also showing a strong interest as evidenced by their work in the new area referred to as “global talent management”. In this article, the author reviewed the academic work and attempted to organize that literature by creating an integrative framework for understanding and advancing further research in global talent management. The framework highlights several selected challenges in global talent management, and several drivers of those challenges. It also highlights the potential role of IHRM activities in addressing those selected challenges.

The presence of multinational corporations is also a major cause for the talent revolution and shortage. Burbach, Ralf; Royle, Tony (2010) aimed to unravel how talent is managed in multinational corporations, what factors mediate the talent management process and what computerized systems may contribute to the management of talent. The study used a single case study but multiple units of analysis approach to elucidate the factors pertaining to the transmission and use of talent management practices across the German and Irish subsidiaries of a US multinational corporation. Primary data for this study was derived from a series of in-depth interviews with key decision makers, which include managers at various levels in Germany, Ireland and The Netherlands. They found that the diffusion of, and success of, talent management practices is contingent on a combination of factors, including stakeholder involvement and top level support, micro-political exchanges, and the integration of talent management with a global human resource information system. Furthermore, the discussion illuminated the utility and limitations of Cappelli’s "talent on demand" framework. The main limitation of this research is the adoption of a single case study method. As a result, the findings may not be applicable to a wider population of organizations and subsidiaries. Additional research will be required to substantiate the relevance of these findings in the context of other subsidiaries of the
same and other corporation. This paper accentuates a number of practical implications. Inter alia, it highlights the complex nature of institutional factors affecting the talent management process and the potential efficacy of a human resource information system in managing talent globally. This paper extended the body of knowledge on the transfer of talent management practices in the subsidiaries of multinational corporations.

Further Iles, Paul; Preece, David; Xin Chuai (2010) in their study observed that HRD practitioners have shown concerns about the status and legitimacy of the occupation, and, arguably, this has not been unconnected to the range of titles HRD has been given over the years. Has there been an element of 'management fashion' about this, or have they reflected some real change at the level of practice? The authors tried to know whether 'talent management' (TM), as a recently emerged area of interest for HRD, could be argued to display features of a management fashion. On the basis of a review of three main perspectives, they concluded that it is too early to say with regard to two of them, given TM's recent emergence and the paucity of empirical material, but that TM displays features of institutionalism in TM talk in the business and professional literature. A research agenda, based primarily on institutional theory, is developed and a number of research questions were outlined.

The emergence of Talent crunch around the globe has grabbed the attention on talent management and thus, Woollard, Stuart (2010) aimed to identify issues around the use of the concept "talent management" and its implementation in an international context. Highlighted techniques/solutions for better international talent management, which can be utilized by those who are responsible for managing a global workforce using the past and current research in the area of talent management, particularly around its various definitions, the reasons for organizations failing to adequately manage and develop their key talent in a global context. The steps taken by the organization to try and improve its international workforce management techniques were also reflected upon. The paper is useful for HR practitioners, particularly those who are part of a global business, as it will enable them to consider some of the challenges of managing a global workforce. Through
the issues and examples highlighted practitioners can evaluate solutions for their organization.

Talent management is not new, it existed since ages but only now its impact is felt even during the global slowdown. Tymon, Stumpf, Doh, (2010) opined that the challenge of global talent management is critical to firm success. Even with the global economic slowdown of 2008 and 2009, there are continuing challenges in attracting, managing, and retaining talent, especially in the developing regions of the world where economic activity has outpaced the availability of skilled employees. To examine this situation, the authors developed and tested a model of talent management across 28 Indian firms involving 4811 professional-level employees. The intrinsic rewards experienced are a critical element in employee retention, satisfaction with the organization, and career success. They explored four antecedents of intrinsic rewards: the social responsibility of the employer, pride in the organization, manager support, and performance management (PM). They found support for the importance of intrinsic rewards as a mediating variable, as well as for the moderating role of certain hygiene factors. They suggested multinational, international, and national employers may have non-pecuniary mechanisms to promote retention and employee satisfaction, even in challenging labor market environments.

c) **Attracting and developing talent** - The ability to attract external talent depends upon how potential applicants view the organization, the industry or sector it operates in and whether they share the values of that organization. The creation of an attractive employer brand is an important factor in attracting external talent. Talent development should be linked to other learning and development initiatives. Appropriate learning and development interventions are required at relevant stages in a career path for talented individuals to achieve their maximum potential. Developing talent needs informal as well as formal learning interventions. These interventions have included conventional development activities but there is also the opportunity to use creative alternatives such as talent coaching and mobility.
McCauley, Cindy; Wakefield, Michael (2006) addressed 5 major key points towards attracting, developing and keeping the strong workers in the organization. They are 1. Businesses should be constantly challenged for attracting, developing, and then retaining skilled employees, which points to the need for talent-management processes. 2. The processes should include workforce planning, talent gap analysis, recruiting, staffing, education and development, retention, succession planning, etc. 3. A successful talent-management program requires the cooperation of all departments and managers. Authors explained several ways to become more involved in the process such as: realizing the management potential and adopting a talent mindset. 4. The authors identified that leadership development processes contribute to successful talent management in many ways, including: developing individual leaders, assessing leadership needs, and coaching and providing feedback. 5. Best practices followed by organizations that excels in talent management.

Organizations across the world are aware of the importance of talent. They are thus adopting new approaches to be ahead in the competition along with relying on the technology. Rafter, Michelle V (2006) stressed that growing number of companies have adopted talent management systems, which is a term that describes the employee development side of the human resource (HR) business that the software suite address. As the U.S. economy improves, companies are adding jobs and looking for better, more efficient ways to maximize the talents of the people they hire. Major HR technology players Oracle and SAP have learning or talent management, but are not market leaders.

Reasons for leaving the organizations were listed through various surveys carried out by authors. Hansen, Fay (2007) discussed the findings of several surveys related to the management of talent, a term used to identify core group of leaders and key contributors who drive the business forward. In the Towers Perrin survey, only 16 percent of the surveyed organizations have a senior talent management position to focus specifically on the organization's talent strategy. The other survey revealed that the top reasons given by top-performing employees for resigning are pay, promotion opportunity and stress.
Management of the talent is of prime importance for the organizations. Alice (2008) referred to policies, which deals with the manpower of an institution, which includes recruitment, career development, and compensation. Thus, stressed on strategy, which involves organizational commitment, management and technology. Moreover, also discussed regarding the risk a business might encounter with the absence of talent management.

JR, Roberto (2008) studied the high attrition rates among female and minority attorneys opting to work at law firms. The high attrition rates of these attorneys have persisted during a period in which many law firms have adopted diversity initiatives with the explicit goal of attracting and retaining minority attorneys. This examined an initiative outside the law firm context in order to provide insight into the failures of law firm diversity programs and prospects for reform. The catalyst for this alternative approach to promoting racial and gender equality is an innovative initiative designed to increase the retention and promotion of women in the workplace at Deloitte & Touche USA LLP. The important strategies employed by Deloitte include: (1) the development of all employees, premised on the assumptions that everyone has the capacity to improve, should be given the opportunity to flourish within the organization, and should engage with the organization as a full participant; (2) an understanding of the psychological approaches to individual and organizational learning so as to effectuate learning from error and engagement with the organization; and (3) the creation of processes and conditions that support these kinds of changes over time. Despite the challenges facing law firms in implementing these concepts, the study provided with an opportunity for law firms to reassess and reshape their traditional understandings.

Talent management is important at all the levels of the organization; it is all the more important for the top management. Edwards, Beverly (2008) at the University of Pennsylvania placed great emphasis on talent management, specifically on attracting and retaining top-notch people. One way it accomplished this was by offering several avenues by which its employees can further their careers. Penn’s large, decentralized structure provides significant opportunities for career growth; however, university staff members
must take a proactive role in their own development. The university supports and encourages these efforts through a variety of programs.

According to Todericiu, Ramona; Muscalu, Emanoil (2008) a firm is like a tree. Part of it is visible - its fruits - and part of it is hidden - the roots, if concentration is on the fruits and roots are ignored the tree will die. For a tree to be able to grow and continue producing, one has to see that the roots get their nourishment.

Leaders are very critical for any organizations success and hence organizations should develop the leaders as a top priority. Cristopher Rhodes, Mark Brundrett & Alan Nevill (2008) reported on the outcomes from a study funded by the National College for School Leadership (NCSL) designed to explore leadership talent identification, development, succession and retention in contextually different primary and secondary schools in England. Focus groups and a questionnaires were used to secure perceptions of heads, middle leaders and classroom teachers about leadership talent identification and development. Twenty characteristics indicative of leadership talent were identified from the study. Agreement and disjuncture were recorded concerning the importance of characteristics among respondent groups. The implications of these findings for leadership development and succession, in the face of a potential leadership crisis in the UK and internationally, were also discussed. The long-term career planning of staff, the place of needs analysis, self-disclosure and senior leadership decision-making are also examined with respect to leadership talent identification and development. Thus offering a basis upon which schools can reflect on their role in providing a good training ground for future leaders. School-based changes are recommended so that individual school’s longer-term leadership requirements may be better addressed.

According to Sandra Watson (2008) the range of research that has been published in the field of hospitality management development, highlighted the implications of findings for the field of talent management. This paper provided a literature review into factors influencing and components of management development. Literature that addresses management learning, management development and career progression are covered as these are seen to impact on talent management. Secondary research into articles
published under the broad heading of “management development in the hospitality industry” in management, hospitality and tourism journals from 2000-2007 was conducted. After this initial trawl the author themed these into categories to aid presentation and discussion of findings. And found that there are four key areas, which emerge from this review. First, there is research which focuses on factors which influence management development; second, there is a focus on hospitality management skills and competencies; third, there is work on hospitality careers; and finally, there is work on hospitality management development practices. Thus, highlighting the relationship between characteristics and approaches traditionally associated with management development to those that can now be seen to fall within the rubric of talent management. The author concluded with the presentation of a framework to articulate key characteristics and influences on management development and talent management in the hospitality industry.

Development of the individuals and employees is of high priority for any organization and the best way to develop is through inculcating a strong culture for learning in the organization. Little, Bob (2010) gave an overview of the development of talent management systems and their evolving relationship with learning management systems (LMS) and learning content management systems (LCMS). Factual reporting method was used to provide the overview. Found that the traditional LMS is in decline, where as the LCMS has much in common with - and can augment - a talent management system. Technological developments (cloud computing, Paas and so on) are having an effect on these relationships. Thus identified the Practical implications as - Talent management systems are becoming increasingly important for would-be successful large (especially multi-national) companies. The capacity and the business requirements of the LMS have changed considerably. The LCMS offers a number of advantages for the modern business over the LMS and can collaborate with a talent management system to achieve strategic business objectives. Competency data - and competency management - lie at the heart of building competitive advantage in the modern business world. This is the first such analysis of the development of talent management systems and their evolving relationship with LMS and LCMS in relation to the corporate learning sector.
Bjorkman, Ingmar; Smale, Adam (2010) stressed that the supply of talented employees fails to keep up with demand, as is evidenced by the growing number of multinational firms that placed importance on the global systems to identify and develop talent. However, most of these firms have begun to acknowledge the host of challenges involved in the design and implementation of such systems. Thus, the author discussed the challenges that multinationals face in identifying talent, the actions they take with their pools of talent, and make suggestions for how these challenges might be addressed.

Ensley, Michael D.; Carland, James W.; Ensley, Rhonda L.; Carland, JoAnn C. (2010) opined that this is a treatise on the development and validation of the Executive Smart Talent Management System which has the ability to determine leadership roles in organizations, and provide a fit for that role through the assessment of applicants. The ability to determine who is best fitted for an organization and those who must be eliminated for the benefit of the organization is in and of itself an exceptional tool; however, this system can be utilized for the training and development of those personnel already entrenched in an organization.

According to Bhatt, Monica, Behrstock, Ellen (2010) the policy analysis explains the need for a system approach to educate talent management. They analyzed how state policies in the Midwest support the development of effective teachers and leaders throughout their career. The report also focused on state policies in teacher preparation including certification and licensure, recruitment and hiring, induction and mentoring, professional development, compensation and other financial incentives, working conditions, and performance management. The analysis posits that the creation of a systemic approach to educator talent management falls under the purview of states and must be developed by state leadership across agencies and sectors. They offered five recommendations for policymakers to move toward a more systemic educator talent management system. The recommendations are: (1) Assess the status quo of your educator quality policies; (2) Create a cross-organizational team to develop a unified vision and strategic plan for educator quality in your state; (3) Identify all stakeholder
groups and partners and specify the level of engagement for each group at every stage of the policy development process; (4) Focus on the development of school leaders as well as teachers; and (5) Ensure that all initiatives to improve educator quality will be assessed on how well they meet the intended goal.

d) Process of Talent Management - People are undoubtedly the best resources of an organization. Sourcing the best people from the industry has become the top most priority of the organizations today. In such a competitive scenario, talent management has become the key strategy for identifying and filling the skill gap in a company by recruiting the high-worth individuals from the industry. It is a never-ending process that starts from targeting people. The process regulates the entry and exit of talented people in organization. The implementation of talent management process that is transparent and equitable is expected to create an environment for people to develop their skills in preparation for a range of future possibilities thereby preparing the workplace for changing roles. Talent management process is very complex and is therefore, very difficult to handle. The sole purpose of the whole process is to place the right person at the right time. The main issue of concern is to establish a right fit between the job and the individual.

The importance of the people should be recognized and people should be encouraged and involved in all the activities. Altman, Wilf (2008) opined that talent management is a process of attracting and retaining human capital. Talent management is the key practice for the winning organizations. The organizations are trying to set up talent management processes, but the real success, the authors feel can be achieved when the organizations engage the hearts and minds of individuals. Individuals joining an organization need to feel that they are valued and that their contribution will make a difference. The new paradigm is talent management focus on developing and retaining good people. Companies that are known to practice talent management have a better chance of attracting recruits at all levels. One of the key challenges organizations face, is to identify and develop the next generation of talent.
While commenting upon the challenges of talent management, Norma D’Annunzio-Green (2008) tried to explore the managers’ views on the challenges and opportunities around the talent management (TM) pipeline in a range of hospitality and tourism organizations. The paper focused on drawing out key issues and suggesting practical actions arising from these. The paper relied primarily on a number of in-depth interviews with senior managers representing a wide range of sectors in the industry. Managers’ views were summarized and quotes were used to illustrate key themes. The findings are that each stage of the TM pipeline needs to be explored and also revealed a number of contextual, strategic and operational concerns around the implementation of TM policy and processes. Findings indicated clear commitment towards the value of TM but revealed that some policy areas were felt to be underdeveloped. Approaches to TM were organization specific, and driven by internal expertise and available resources. Organizations should fit and tailor their TM approach to their own context. A number of practical implications also emerged from this paper specifically relating to defining, attracting, retaining developing and transitioning talent. The paper provided a senior management perspective on TM and allowed the reader with a unique insight into the complexities of managing talent in the hospitality and tourism sector, highlighting the issues that organizations are facing.

Hor, Huang, Liang – Chih; Shih, Hsu-Shih; Lee, Yen-Hua; Stanley Lee, (2010) designed a leadership development program for a company’s succession planning which is important for its future competition. A semiconductor assembly and testing multinational corporation (MNC) in Taiwan were selected for interviews of its high level management to address the business strategy and challenge. Along with the investigation of the literature, the research also looked at the experiences and leadership competencies needed for those in leadership positions. The major consideration on designing leadership development program is to deal with many intangible factors, as well as dependent relationship among experiences and leadership competencies. The experts applied ANP approach to overcome both difficulties through pair wise comparisons. A weight system of experiences and leadership competencies was then built for designing the leadership development program, as well as the decision basis of leadership selection. The model
was approved by top management at the case company and was implemented to prove its
validity.

In a study conducted by Y.Lewin, Silvia Massini and Carine Peters (2009) they
empirically identified determinants of decision by companies to offshore innovation
activities. They used survey data from the international off shoring Research Network
project to estimate the impact of managerial intentionality, past experience, and
environmental factors on the probability of off shoring innovation projects. The results
showed that the emerging shortage of highly skilled science and engineering talent in the
US and, more generally, the need to access qualified personnel are important explanatory
factors for off shoring innovation decisions. Moreover, contrary to drivers of many other
functions, labor arbitrage is less important than other forms of cost savings. Hence,
concluded with a discussion of the changing dynamics underlying off shoring of
innovation activities, suggesting that companies are entering a global race for talent.

However, Collings, David G.; Anthony McDonnell; Scullion, Hugh (2009) felt that
despite more than a decade of hype around the concept of talent management, the
knowledge regarding its application in practice, particularly in the international context is
very limited. Developing on Malcolm Gladwell's influential book The Tipping Point, and
in particular his concept of the 'law of the few', authors argued that it is a few key
individuals positioned in pivotal roles which make the critical difference in terms of
differentiated organizational performance.

Research Gap and need Identification

A glance at the literature reviewed on competence management and talent management
reveal the following:

1. The articles related to the identification of competencies, models of competency
management but did not reflect on the use of competencies in all the strategic HR
functions. In addition, studies did not throw light on how the organizations can
equip themselves for competency management. There was also no evidence of the
specific role of HR in competency management. For instance identification and usage of competencies in recruitment and selection, training was studied but the other functions like performance appraisal, compensation management, career management etc were limited.

2. A significant amount of literature was available on talent management. The definition, the importance of acquisition, the strategies for retention was included. But talent development and the overall management of talent was missing.

3. The literature on competency management and talent management is scattered and is available in isolation to each other. Studies did not link these two concepts to highlight the outcomes arising out of the same.

4. Studies on competency management also did not throw light on the awareness and usage of competencies at various levels – operational level, middle management level and the top management level – in the organization. Further the relationship between competence management and talent management is yet to be explored in terms of the application of competencies in managing talent.

5. Competence management and talent management as concepts are of recent origin. Hence studies are not only limited but also the literature reflects global and macro picture. The studies in the Indian context are limited to the industry practices rather than systematic scientific enquiry, thus leading to significant research gaps. Moreover sect orally, the IT sector has been the focus but studies conducted in the Indian IT sector are rooted in the MNC’s in India rather than companies rooted in the Indian origin.

Thus, the above issues evidence significant research gaps, which need to be addressed to generate data and literature in the area of competence, talent management and also to further research. Moreover, Competency and talent management in IT sector in India, particularly in the era of globalization has not been covered in any of the studies from a holistic perspective. Understanding the role of competency and talent management in the era of globalization assumes all the more significance due to the boom of IT sector, shortage of right talent and retaining the talent are the important challenges the IT industry is facing. The importance of competency management and talent management
stems from the fact that India received in terms of its vast pool of technical competence. This necessitates studies in this direction to examine the process of managing talent using competency management tool.

This study is an attempt in this direction and seeks to examine competence management as a tool of talent management in the IT organizations in India. The research methodology is presented in the next chapter.
CHAPTER - III

RESEARCH METHODOLOGY

The available literature on competency management is not highlighting the problems in using competency management practices and factors, which help in managing employees. However, it helps in arriving at a conceptual framework to guide the empirical investigation.

The Concept

Competencies are the skills, knowledge, abilities and other characteristics that are required to perform a job effectively (Jackson and Schuler, 2003) is the concept used in the study. Competency management is described as an integrated set of human resource activities aimed at optimizing the development and the use of employee competencies in order to increase individual effectiveness, and, subsequently, to increase organizational effectiveness (Van Beirendonck, 1998).

Jackson and Schuler (1990) defined talent management, as an architecture where a set of processes are designed to ensure there are an adequate number of employees for jobs within an organization. It is having the right resource available at the right time for the right jobs. These form the conceptual basis for the study.

Framework

The conceptual framework for the study was arrived at, after incorporating the major constructs previously identified in the literature. The awareness, application and perceptions of individuals on competency management lead to talent management. The individuals would equip themselves with knowledge skills and competencies towards the possibility of their talent being acquired, (Jyotsna Bhatnagar (2007), Giuseppe Beiro(2007)) performed in such a way that their talent is developed (shein, 1996) and they are retained thus ensuring their continued employability in the organization (Marrelli, 1998). Similarly even at the organizational level the awareness, application of
competencies leads to talent management (C K Prahlad & Gary Hamel, 1990; Thomas V. Durbin, 2006; William Rothwell & John E Lindholm, 1999; Chris Ashton, 2005; Arthur, 1994). The organization thus will be able to acquire, develop and retain talent using competency management as a tool (Marrelli, 1998).

**Figure 3.1 – Research Framework.**

This framework throws up certain research questions, which are given below. This framework also guided the development of some primary research questions for the study. They are

**Research Questions**

1. What is the role of competencies at the individual level?
2. What is the role of competencies at the organizational level?
3. How should an organization equip itself for competence management?