

LECTURE NOTES

"Talent management is not just about hiring the best people, but about creating an environment where great people choose to stay, grow, and perform."

SUBJECT NAME : Talent Management
SUBJECT CODE : 22MBA233C
YEAR/SEM : II/III
REGULATION : R23
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Course Educational Objectives	Syllabus	Course Outcomes (CO)
<u>CEO1:</u> To acquire and understand the basic concepts of Talent Management.	<p align="center"><u>Unit 1-Introduction to Talent Management</u></p> <p>Talent Management: Meaning and significance of talent management-attracting talent, retaining talent- Consequences of Failure in Managing Talent, Tools for Managing Talent Management.</p>	<u>CO1:</u> Explain the basic concepts of Talent Management.
<u>CEO2:</u> To understand about Talent Management System and Competency mapping.	<p align="center"><u>Unit 2 Talent Management System and Competency Mapping</u></p> <p>Introduction-Factors of Talent Management System-Building Blocks of Effective Talent Management System - Elements of Talent Management System. Competency Mapping: Features of competency mapping, approaches to mapping, Competency mapping procedures and steps</p>	<u>CO2:</u> Apply the concept Of talent management system and competency mapping
<u>CEO3:</u> To make awareness on talent management process in business.	<p align="center"><u>Unit 3 Life Cycle of Talent Management</u></p> <p>Introduction-Talent Management Process- Linkage between Talent Management Process and Workforce - Essentials of Talent Management process- performance linked career planning.</p>	<u>CO3:</u> Demonstrate the knowledge of talent management process in business.
<u>CEO4:</u> To understand Talent Management strategies	<p align="center"><u>Unit 4 Approaches to Talent Management</u></p> <p>Talent Management Approaches, Developing a Talent Management Strategy, Mapping Business Strategies and Talent Management Strategies, Post Recession Challenges of Talent Management</p>	<u>CO4:</u> Examine talent management strategies.
<u>CEO5:</u> To understand the contribution of talent in accomplishment of individual and corporate objectives.	<p align="center"><u>Unit 5 Talent Planning and Acquisition</u></p> <p>Objectives of Talent Planning, Steps in Strategic Talent Planning, Succession Planning Program. Talent Acquisition: Strategic Trends in Talent Acquisition. Talent Engagement and Retention: Retaining and Engaging Workers, Best Practices for Talent Engagement, Improving Employee Retention.</p>	<u>CO5:</u> Outline the contribution of talent in accomplishment of individual and corporate objectives.

UNIT I
INTRODUCTION TO TALENT MANAGEMENT

“The most valuable asset of a 21st-century institution will be its knowledge workers and their productivity.”

— Peter Drucker

1. Introduction to Talent Management

In the contemporary business environment characterized by globalization, technological disruption, and intense competition, organizations increasingly recognize that sustained success depends on the quality of their human capital. Talent Management has therefore evolved as a strategic discipline within Human Resource Management.

Earlier HR practices focused mainly on administrative functions such as hiring and payroll. Modern organizations, however, emphasize identifying key talent, nurturing high-potential employees, and building leadership pipelines.

Talent Management is thus not merely a function — it is a **strategic philosophy** integrating people practices with business goals.

2. Meaning and Definitions of Talent Management

- **Peter Cappelli (2008)**

According to **Peter Cappelli**, “Talent management is the process through which employers anticipate and meet their needs for human capital.”

Cappelli emphasizes workforce planning and aligning talent supply with business demand.

- **Lewis and Heckman (2006)**

Robert E. Lewis and **Robert J. Heckman** describe Talent Management as: “A collection of typical human resource department practices, functions, activities, or specialist areas such as recruiting, selection, development and succession planning.”

They argue that many organizations treat talent management as an extension of traditional HR activities, though strategically oriented.

- **Collings and Mellahi (2009)**

According to **David G. Collings** and **Kamel Mellahi**, “Talent management involves **systematic identification of key positions** that contribute to the organization’s sustainable competitive advantage and **developing a talent pool of high-potential and high-performing incumbents** to fill these roles.”

This definition highlights:

- Strategic positions
- Competitive advantage
- High-potential employees

- **Armstrong (2012)**

Michael Armstrong defines Talent Management as: “The process of ensuring that the organization has the talented people it needs to attain its business goals.”

Armstrong focuses on alignment between talent and business objectives.

Synthesized Meaning

From the above definitions, Talent Management can be understood as:

- A systematic process focused on **attracting, developing, retaining, and deploying talent**, aligned with organizational strategy and aimed at achieving sustainable competitive advantage

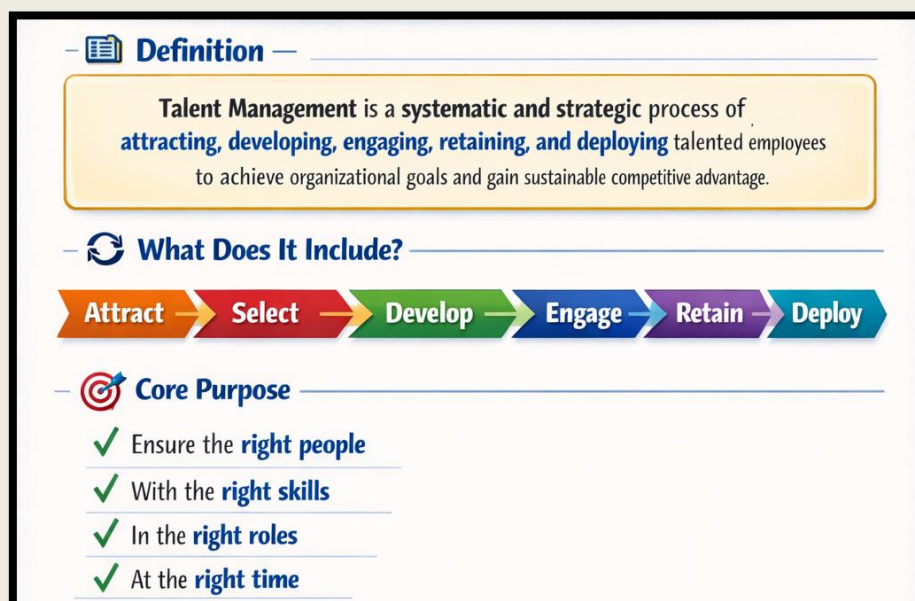


Figure 1 Definition of Talent Management

Scholarly Perspectives



David Ulrich: "Talent management links people strategy with business strategy."



Peter Cappelli: "It is about anticipating talent needs and developing people internally rather than depending only on hiring."



John Boudreau: "Focuses on making *"talent decisions"* that create maximum organizational impact."

In Simple Words (For Students)

Talent Management means:

👉 Managing people not just as employees

👉 But as **valuable assets and future leaders**



Figure 2 Talent Management

3. Significance of Talent Management

The significance of Talent Management has increased due to:

- Global competition
- Knowledge-based economy

- Skill shortages
- Employee mobility



Figure 3 Significance of TM

1. Competitive Advantage

The **Resource-Based View (RBV)** theory by **Jay Barney** suggests that sustainable competitive advantage comes from valuable, rare, inimitable, and non-substitutable (VRIN) resources.

Human talent qualifies as such a resource when properly managed.

2. Succession Planning

Talent management ensures continuity in leadership roles and reduces dependence on external recruitment.

3. Improved Organizational Performance

Studies show a positive relationship between strategic talent practices and firm performance.

4. Employee Engagement

When employees perceive opportunities for growth and recognition, organizational commitment increases.

5. Reduced Turnover Costs

High turnover increases recruitment, training, and productivity costs. Effective talent strategies minimize such expenses.

4. Attracting Talent

Attracting talent refers to strategic efforts made by an organization to draw competent and high-potential individuals.

Literature Perspective

According to **John Boudreau** and **Peter Ramstad**, organizations must build a “talent mindset” where recruitment is aligned with long-term strategic needs rather than short-term vacancies.

Methods of Attracting Talent

1. Employer Branding
2. Competitive Compensation
3. Campus Recruitment
4. Social Media Hiring
5. Diversity and Inclusion Policies
6. Strong Organizational Culture

Organizations like **Google** build strong employer brands to attract global talent.

Strategic Importance

Attracting talent ensures:

- Quality workforce
- Reduced hiring mismatches
- Strong talent pipeline

5. Retaining Talent

Retention refers to strategies adopted to ensure talented employees remain in the organization.

Academic Insights

According to **Frederick Herzberg**, job satisfaction and motivation play a significant role in retention through intrinsic factors such as achievement and recognition.

Similarly, **Abraham Maslow** emphasizes fulfillment of hierarchical needs as essential for employee stability.



Reasons for Employee Exit

- Lack of career growth
- Poor leadership
- Inadequate compensation
- Work stress
- Lack of recognition

Retention Strategies

1. Career Development Programs
2. Learning and Development
3. Mentorship Systems
4. Leadership Development
5. Work-Life Balance
6. Recognition and Rewards

Companies such as Microsoft invest significantly in continuous learning to retain employees.

6. Consequences of Failure in Managing Talent

Failure in talent management can lead to:

1. **High Turnover** - Increased recruitment and training costs.

- 2. Knowledge Drain** - Loss of intellectual capital and organizational memory.
- 3. Leadership Crisis** - Absence of succession planning results in sudden leadership gaps.
- 4. Decreased Competitive Position** - Competitors may gain skilled employees.
- 5. Reduced Morale** - Remaining employees may feel insecure.

Literature on strategic HRM confirms that ineffective talent systems negatively impact long-term sustainability.

7. Tools for Managing Talent

Effective Talent Management requires structured tools and systems.

1. Competency Mapping (Identifying required skills for each role).
2. Performance Management Systems
3. 360-Degree Feedback
4. Succession Planning Models
5. Assessment Centres
6. HR Analytics

As suggested by Wayne Cascio, data-driven HR practices enhance decision-making effectiveness.

8. Conceptual Framework of Talent Management Cycle

1. Workforce Planning
2. Talent Acquisition
3. Onboarding
4. Performance Management
5. Learning & Development
6. Succession Planning
7. Retention Strategy

This creates a continuous cycle ensuring alignment with organizational strategy.

Conclusion

Talent Management is a strategic, integrated, and continuous process aimed at ensuring that organizations attract, develop, and retain talented employees to achieve sustainable competitive advantage.

Modern organizations understand that:

- Technology can be purchased
- Capital can be borrowed
- But talent must be nurtured

Case: Talent Crisis at TechNova Solutions

Background

TechNova Solutions, a mid-sized IT services firm based in Bangalore, grew rapidly between 2018 and 2022, increasing its workforce from 500 to 2,200 employees. The company specialized in cloud migration and AI-based analytics.

However, by 2023, the firm began experiencing a **sharp rise in employee turnover**, especially among high-performing software engineers.

Problem

- Annual attrition rate increased from **12% to 28%**
- Exit interviews revealed:
 - Lack of career growth (45%)
 - Better offers from competitors (30%)
 - Poor work-life balance (15%)
- Recruitment costs increased by **35%**
- Client project delays increased by **20%**

The HR Head proposed implementing a **formal Talent Management framework**, but the CEO questioned the ROI.

Data Snapshot

Indicator	2021	2023
Attrition Rate	12%	28%
Avg. Hiring Cost/Employee	₹1.2L	₹1.62L
Employee Engagement Score	78%	59%

Decision Point

Should TechNova invest in structured talent management, or focus only on compensation to retain employees?

Discussion Questions

1. What are the key reasons for talent attrition at TechNova?
2. Evaluate the consequences of poor talent management.
3. Should the company prioritize retention strategies or salary hikes?
4. Design a talent management strategy for TechNova.
5. What tools can be implemented to improve engagement?

QUESTIONS

2-Mark Questions

1. Define Talent Management.
2. What is meant by talent attraction?
3. What is talent retention?
4. State the significance of talent management.
5. What are talent management tools?
6. What is employee turnover?
7. Mention any two consequences of poor talent management.
8. What is workforce planning?
9. Define human capital.
10. What is employer branding?

10-Mark Essay Questions

1. Explain the meaning and significance of Talent Management in modern organizations.
2. Discuss the process of attracting and retaining talent.
3. Explain the consequences of failure in managing talent.
4. Describe various tools used in Talent Management.
5. Analyze the importance of talent management in competitive advantage.
6. Explain challenges faced in talent retention.
7. Discuss strategies for effective talent attraction.
8. Evaluate the role of HR in Talent Management.
9. Explain the relationship between talent management and organizational performance.
10. Discuss global trends in Talent Management.

Application-Oriented Questions

1. A company faces high employee turnover. Suggest talent retention strategies.
2. Design a talent attraction strategy for a startup.
3. Analyze why a firm failed due to poor talent management.
4. Suggest tools for improving talent management in IT firms.
5. Evaluate talent strategies of a known company.
6. Recommend steps to improve employer branding.
7. Case: Employees leaving after 6 months—diagnose reasons.

8. Develop a retention plan for skilled employees.
9. Suggest ways to engage Gen Z employees.
10. Apply talent management practices in a small business.

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UNIT II

TALENT MANAGEMENT SYSTEM AND COMPETENCY MAPPING

“The key to organizational success is identifying, developing, and deploying the right talent in the right roles.”

— Dave Ulrich

PART A: Talent Management System (TMS)

1. Introduction to Talent Management System

A Talent Management System (TMS) refers to an integrated and structured framework through which organizations manage the entire employee lifecycle — from attraction to development and retention.

Unlike isolated HR practices, a Talent Management System integrates recruitment, performance management, learning, succession planning, and retention into one coherent strategy aligned with organizational objectives.

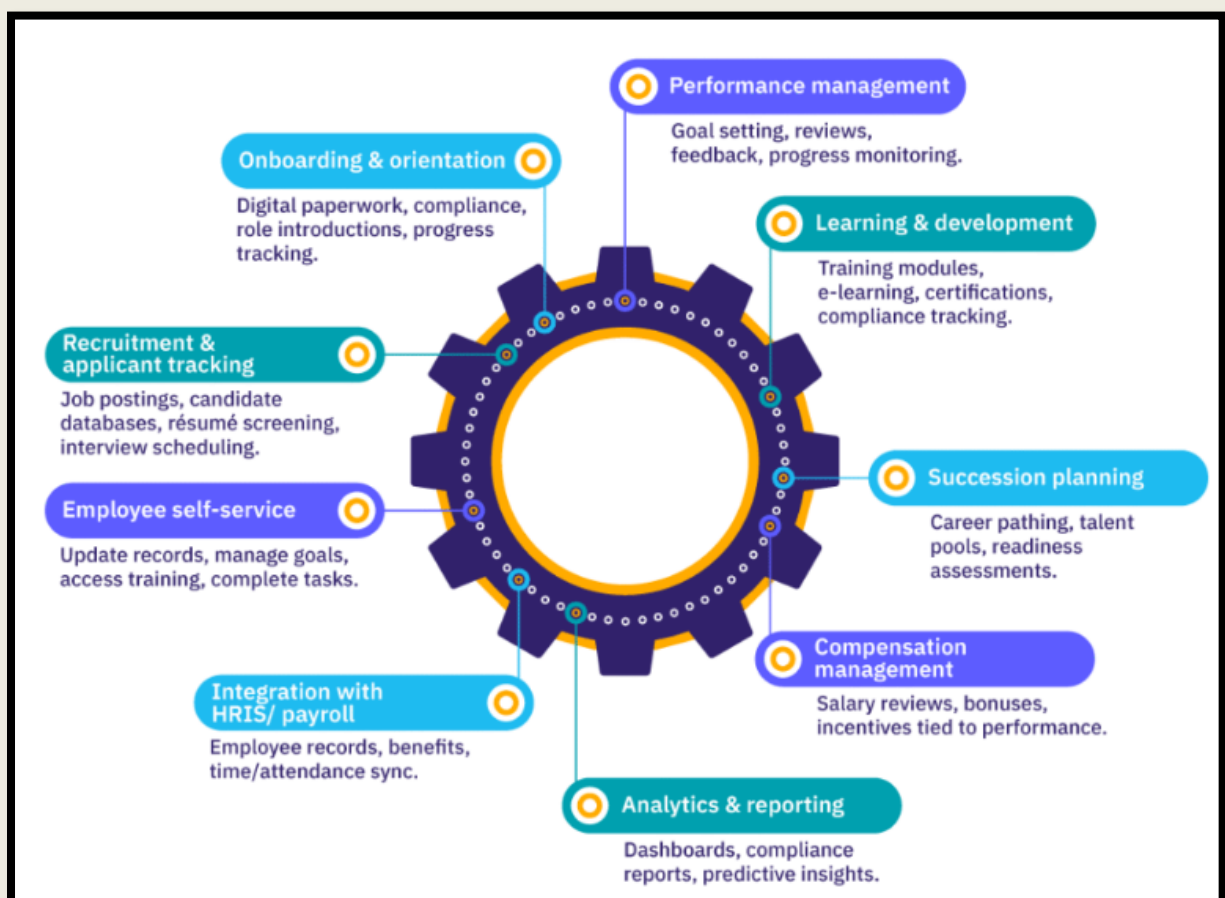


Figure 4 Key Functions of Talent Management System

Scholarly Perspective

According to David G. Collings and Kamel Mellahi, talent management must be seen as a systematic architecture rather than fragmented HR activities. They emphasize identification of key positions and creation of internal talent pools.

Similarly, Peter Cappelli (2008) argues that organizations must create demand-driven talent systems aligned with business uncertainty and market dynamics. Thus, a Talent Management System is strategic, integrated, and future-oriented.

2. Factors Influencing Talent Management System

The effectiveness of a TMS depends on several internal and external factors:

- 1. Organizational Strategy** - The system must align with long-term goals and competitive positioning.
- 2. Leadership Commitment** - Top management support determines system effectiveness.



Figure 5 Factors Influencing TMS

- 3. Organizational Culture** - A learning-oriented culture supports talent growth.
- 4. Workforce Demographics** - Generational diversity affects talent expectations.
- 5. Technology and HR Analytics** - Modern systems depend heavily on digital HR platforms.

6. Globalization and Competition - International talent mobility influences TMS design.

According to Wayne Cascio, data-driven HR systems significantly enhance decision-making effectiveness in talent planning.

3. Building Blocks of an Effective Talent Management System

An effective TMS consists of foundational components that support talent lifecycle management.

- 1. Workforce Planning** - Forecasting future skill requirements.
- 2. Talent Acquisition**- Attracting and selecting suitable candidates.
- 3. Learning and Development** - Continuous skill enhancement programs.



Figure 6 Building Blocks of an Effective Talent Management System

- 4. Performance Management** - Monitoring and evaluating performance.
- 5. Succession Planning** - Preparing future leaders.
- 6. Employee Engagement and Retention** - Ensuring commitment and long-term association.
- 7. Career Development** - Promotion opportunities and ample training options ensures a workforce invested in the company's long-term success.

Michael Armstrong highlights that integration of these building blocks ensures organizational sustainability.

4. Elements of Talent Management System

The operational elements include:

- Recruitment & Selection
- Onboarding
- Performance Appraisal
- Career Planning
- Leadership Development
- Compensation & Rewards
- Retention Programs
- HR Information Systems (HRIS)

These elements function interdependently.

Strategic HRM literature emphasizes that fragmented HR practices reduce effectiveness, whereas integrated systems improve organizational performance.

PART B: Competency Mapping

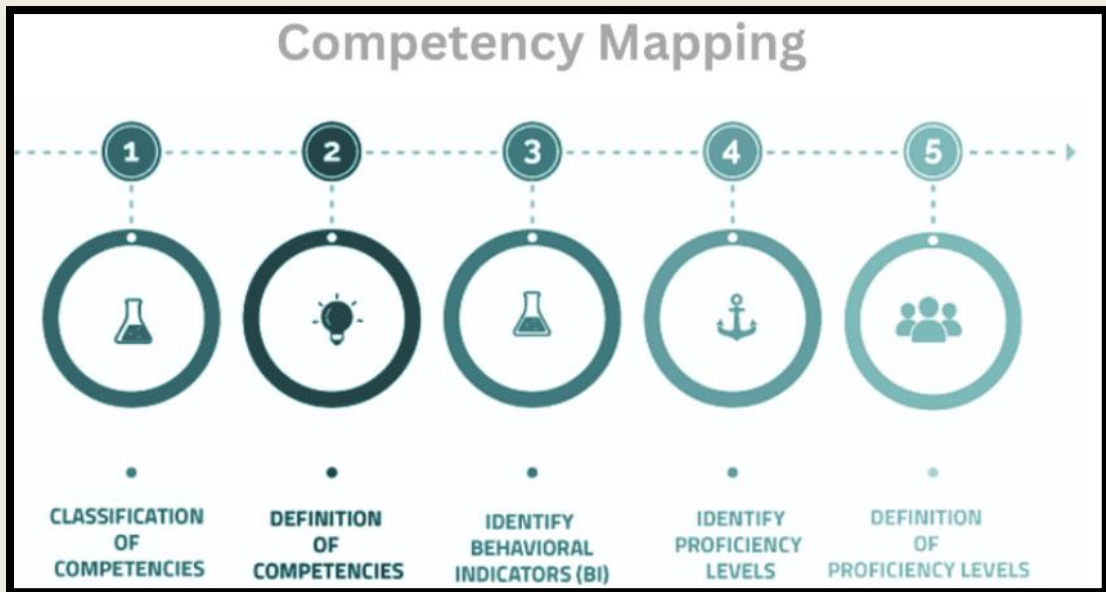
1. Introduction to Competency Mapping

Competency Mapping is a systematic process of identifying key competencies required to perform a job effectively and matching them with employee capabilities.

The concept gained prominence through the work of **David McClelland**, who argued in 1973 that traditional intelligence tests were poor predictors of job performance, and competencies should be used instead.

Later, **Richard Boyatzis** defined competency as: **“An underlying characteristic of a person which results in effective and superior performance.”**

Thus, competency mapping ensures alignment between job requirements and employee capabilities.



2. Features of Competency Mapping

1. Focuses on behavior, skills, and knowledge
2. Links performance to measurable criteria
3. Supports recruitment and selection
4. Assists in training needs identification
5. Supports performance appraisal
6. Encourages career development

Competency mapping moves beyond qualification-based evaluation to behavior-based evaluation.

3. Approaches to Competency Mapping

There are different approaches:

1. **Behavioral Approach** - Focuses on observable behaviors linked to superior performance.
2. **Functional Approach** - Focuses on job responsibilities and tasks.
3. **Generic Approach** - Identifies competencies common across organization.



Figure 7 Approaches to Competency Mapping

4. Core Competency Approach - Based on strategic capabilities required for competitive advantage.

The competency movement was further institutionalized through models developed by organizations such as **SHRM**, which provide standardized competency frameworks for HR professionals.

4. Competency Mapping Procedure and Steps

A systematic process typically includes:

Step 1: Define Objectives - Identify purpose (selection, promotion, training).

Step 2: Job Analysis - Collect job-related information.

Step 3: Identify Key Competencies - Determine technical and behavioral competencies.

Step 4: Develop Competency Framework - Create structured model.

Step 5: Validate Competencies - Test through interviews, surveys, and performance data.

Step 6: Integrate with HR Systems - Use in recruitment, appraisal, and development.

Step 7: Continuous Review - Update competencies based on changing business needs.

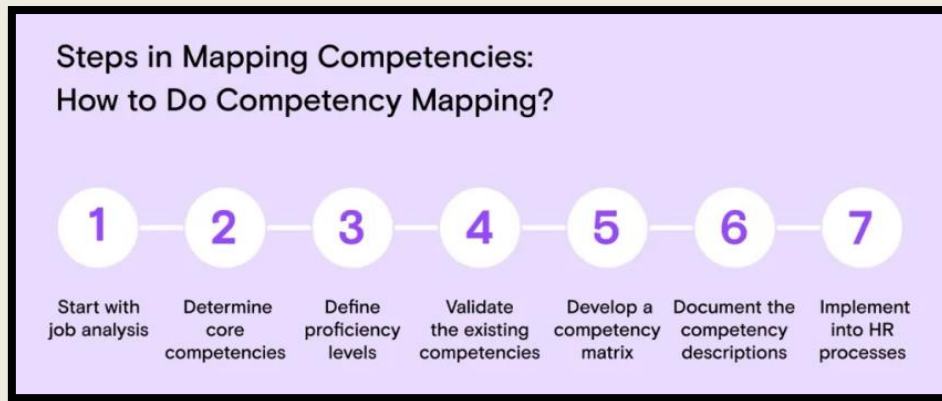


Figure 8 Steps in Competency Mapping

According to competency research literature, integration with performance management systems improves overall organizational effectiveness.

Relationship between Talent Management System and Competency Mapping

Competency Mapping serves as a foundation for Talent Management Systems because:

- Recruitment uses competency criteria
- Training addresses competency gaps
- Performance evaluation measures competency levels
- Succession planning identifies high-competency employees

Thus, competency mapping strengthens the architecture of Talent Management Systems.

Conclusion

A Talent Management System provides the structural framework for managing human capital strategically, while Competency Mapping ensures precision in identifying and developing required skills.

Case: Competency Mapping Failure at Zenith Bank

Background

Zenith Bank, a leading private sector bank, introduced a **competency mapping system** to improve employee performance and leadership development.

The system categorized competencies into:

- Technical skills
- Behavioral skills
- Leadership capabilities

Problem

After implementation:

- 60% of employees felt the system was **unclear and biased**
- Managers struggled to evaluate competencies objectively
- Promotions were delayed due to confusion
- Employee dissatisfaction increased

Data Snapshot

- Only **35% managers trained** in competency mapping
- Performance appraisal disputes increased by **40%**
- Productivity declined by **15%**

Decision Point

Should Zenith Bank redesign its competency mapping framework or abandon it?

Discussion Questions

1. What went wrong in the competency mapping process?
2. Identify gaps in implementation.
3. How can competency mapping be improved?
4. Design a better competency framework.
5. What role does training play in competency mapping success?

QUESTIONS

2-Mark Questions

1. Define Talent Management System.
2. What is competency mapping?
3. List features of competency mapping.
4. What are the elements of a talent management system?
5. Define competency.
6. What are behavioral competencies?
7. What is skill gap analysis?
8. Mention two approaches to competency mapping.
9. What is job analysis?
10. Define HR analytics.

10-Mark Essay Questions

1. Explain the Talent Management System and its components.
2. Discuss building blocks of an effective Talent Management System.

3. Explain the process of competency mapping.
4. Discuss different approaches to competency mapping.
5. Analyze the importance of competency mapping in HR.
6. Explain factors influencing Talent Management System.
7. Describe steps in competency mapping.
8. Evaluate benefits of competency mapping in organizations.
9. Explain linkage between competency mapping and performance.
10. Discuss challenges in implementing competency mapping.

Application-Oriented Questions

1. Design a competency mapping model for a sales manager.
2. Identify competencies required for HR professionals.
3. Develop a talent management system for a startup.
4. Case: Skill mismatch in employees—suggest competency mapping solution.
5. Apply competency mapping in performance appraisal.
6. Evaluate competency gaps in an organization.
7. Design a training plan based on competency mapping.
8. Suggest tools for competency assessment.
9. Analyze failure of talent systems in an organization.
Develop competency framework for IT industry.

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UNIT III
LIFE CYCLE OF TALENT MANAGEMENT

Before you are a leader, success is all about growing yourself. When you become a leader, success is all about growing others.”

— Jack Welch

1. Introduction to the Life Cycle of Talent Management

The Life Cycle of Talent Management refers to the *continuous and systematic process through which organizations manage employees from entry to exit, ensuring alignment between individual capabilities and organizational goals*.

Unlike traditional HR practices that treat recruitment, training, and appraisal as separate functions, modern Talent Management adopts a lifecycle perspective — recognizing that talent must be nurtured, developed, and retained strategically over time.

According to **Peter Cappelli**, organizations must move from static manpower planning to dynamic talent pipelines that adapt to uncertainty and future skill needs.

Thus, Talent Management Life Cycle is:

- Continuous
- Strategic
- Integrated
- Performance-driven

2. Talent Management Process

The Talent Management Process consists of structured stages that ensure systematic talent development.

Major Stages of the Talent Management Process

- 1. Workforce Planning** - Identifying current and future talent requirements.
- 2. Talent Acquisition** - Recruitment and selection of suitable candidates.
- 3. Onboarding and Integration** - Helping employees adapt to organizational culture.
- 4. Learning and Development** - Enhancing technical and behavioral competencies.
- 5. Performance Management** - Monitoring performance and providing feedback.
- 6. Career Development and Succession Planning** - Preparing employees for higher roles.

7. Retention and Engagement - Ensuring long-term commitment.

8. Separation and Knowledge Transfer - Managing exits professionally to retain intellectual capital.

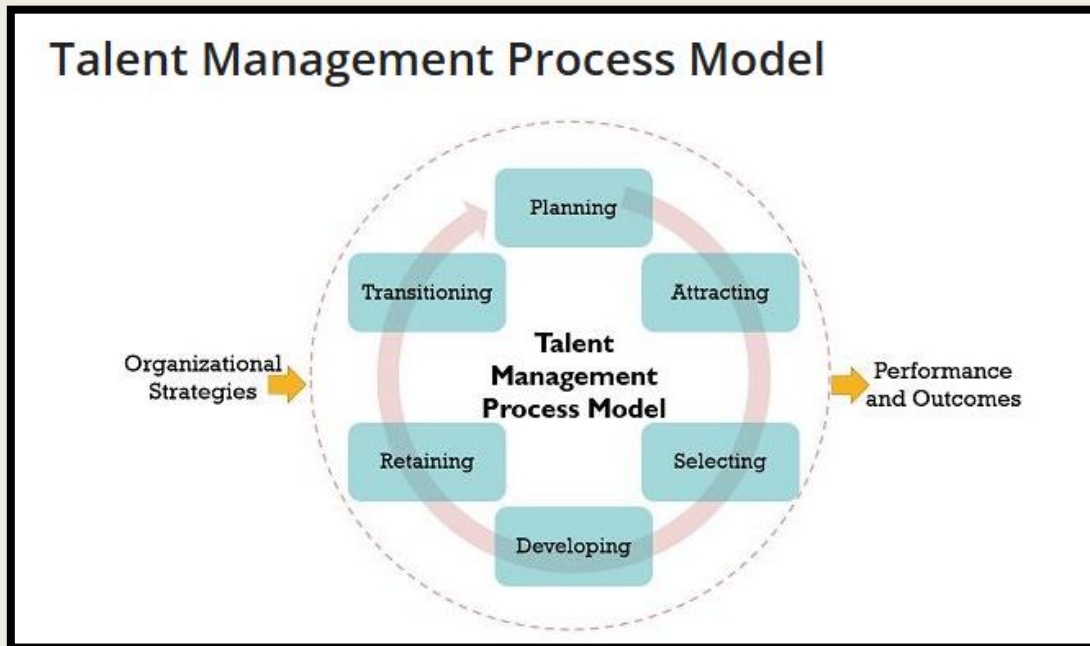


Figure 9 Talent Management Process

According to David G. Collings and Kamel Mellahi, effective Talent Management focuses particularly on key strategic positions that drive competitive advantage.

3. Linkage between Talent Management Process and Workforce

The Talent Management process must be closely aligned with workforce planning and organizational strategy.

1. Strategic Workforce Planning

Workforce planning identifies:

- Number of employees required
- Skills required
- Timing of requirement

Talent Management then ensures that these requirements are fulfilled through development and acquisition strategies.

The Resource-Based View (RBV) theory by Jay Barney argues that human resources become a source of sustainable competitive advantage when they are valuable, rare, inimitable, and non-substitutable.

Thus, linkage between workforce strategy and talent processes ensures:

- Skill availability

- Leadership continuity
- Operational stability
- Organizational growth

2. Demand–Supply Alignment

Talent Management reduces the gap between:

- Workforce demand (business needs)
 - Workforce supply (employee capabilities)
- Organizations that fail in this alignment experience skill shortages, turnover, and leadership crises.

4. Essentials of Talent Management Process

An effective Talent Management Process depends on certain essential elements.

- 1. Top Management Support** - Leadership commitment ensures implementation.
- 2. Strategic Alignment** - Talent initiatives must align with business goals.
- 3. Competency-Based Framework** - Clear competency models guide recruitment and appraisal.
- 4. Continuous Learning Culture** - Encourages skill upgrading.
- 5. Data-Driven Decision Making** - Use of HR analytics enhances accuracy.

According to Wayne Cascio, integrating analytics into talent decisions increases accountability and performance impact.

- 6. Employee Engagement** - Motivational theories explain why engagement is critical:
 - **Frederick Herzberg** – Motivation-Hygiene Theory
 - **Abraham Maslow** – Hierarchy of Needs

Retention improves when psychological and growth needs are fulfilled.

5. Performance-Linked Career Planning

Performance-linked career planning connects employee growth opportunities directly with measurable performance outcomes.

Meaning

It refers to aligning:

- Individual career aspirations
- Performance evaluation results
- Organizational succession needs

Importance

1. Encourages high performance
2. Identifies high-potential employees
3. Reduces favoritism
4. Enhances transparency
5. Strengthens leadership pipeline

According to **Richard Boyatzis**, *effective career development must be competency-based and linked to measurable performance standards.*

Steps in Performance-Linked Career Planning

1. Conduct Performance Appraisal
2. Identify Skill Gaps
3. Map Career Paths
4. Provide Development Interventions
5. Evaluate Progress Periodically

When career growth is visibly linked to performance, employee engagement increases significantly.

Conclusion

The Life Cycle of Talent Management reflects a holistic approach to managing human capital. It integrates planning, acquisition, development, performance evaluation, career progression, and retention into a unified system aligned with organizational strategy.

Case: Talent Lifecycle Breakdown at AutoEdge Manufacturing

Background

AutoEdge, an automobile components manufacturer, employed 3,500 workers. The company had strong recruitment practices but lacked structured employee development.

Problem

- High-performing employees left within 2–3 years
- No clear career progression
- Weak succession planning
- Promotions were inconsistent

Data Snapshot

Area	Status
Recruitment	Strong
Training	Moderate
Career Planning	Weak
Retention	Poor

- Attrition among high performers: **32%**
- Internal promotions: only **20%**

Decision Point

How should AutoEdge redesign its **Talent Management Life Cycle**?

Discussion Questions

1. Identify gaps in the talent lifecycle.
2. Why is career planning important for retention?
3. Suggest a structured talent lifecycle model.
4. How can performance-linked career planning help?
5. Design a succession planning system.

QUESTIONS

2-Mark Questions

1. Define Talent Management Life Cycle.
2. What is workforce planning?
3. What is career planning?
4. Define performance management.
5. What is employee development?
6. What is succession planning?
7. What is talent acquisition?
8. Define employee engagement.
9. What is retention strategy?
10. What is HR lifecycle?

10-Mark Essay Questions

1. Explain the Talent Management Life Cycle.
2. Discuss the stages in Talent Management Process.
3. Explain linkage between talent management and workforce planning.
4. Discuss essentials of Talent Management process.

5. Explain performance-linked career planning.
6. Evaluate importance of talent lifecycle in organizations.
7. Discuss role of HR in managing talent lifecycle.
8. Explain challenges in talent lifecycle management.
9. Analyze integration of talent lifecycle with business strategy.
10. Discuss impact of talent lifecycle on employee performance.

Application-Oriented Questions

1. Design a talent lifecycle for a manufacturing firm.
2. Develop career planning strategy for employees.
3. Case: Poor performance—link it to talent lifecycle gaps.
4. Suggest improvements in workforce planning.
5. Apply lifecycle stages in IT company.
6. Design succession planning for leadership roles.
7. Evaluate talent lifecycle in a real company.
8. Identify gaps in employee development process.
9. Propose performance-linked career plan.
10. Suggest lifecycle improvements for startups.

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UNIT IV
APPROACHES TO TALENT MANAGEMENT

“The ability to attract, develop and retain the right people is the most important competitive advantage.”

— Jack Welch

1. Introduction to Talent Management Approaches

Talent Management has evolved from a purely administrative HR function into a strategic business function. Different organizations adopt different approaches based on their size, strategy, culture, and competitive environment.

According to **Lewis and Heckman**, the field of talent management lacks a single uniform definition, and organizations often interpret and apply it differently. This has led to multiple theoretical and practical approaches.

Understanding these approaches is essential for MBA students, as it helps connect strategy with human capital management.

2. Talent Management Approaches

Several major approaches are discussed in academic literature.

2.1 Traditional (HR-Oriented) Approach

This approach treats talent management as a collection of HR practices such as:

- Recruitment
- Selection
- Training
- Performance appraisal

2.2 Strategic Talent Management Approach

According to **David G. Collings** and **Kamel Mellahi**, strategic talent management involves:

- Identifying key strategic positions
- Developing high-potential employees
- Aligning talent with competitive advantage

*This approach is based on the **Resource-Based View (RBV)** of the firm, proposed by **Jay Barney**, which argues that sustainable competitive advantage depends on valuable, rare, inimitable, and non-substitutable (VRIN) resources.*

Human talent qualifies as such a resource when managed strategically.

2.3 Inclusive vs Exclusive Approach

Exclusive Approach

- Focuses only on high-potential or high-performing employees
- Often called the “A-player” model
- Resources concentrated on leadership pipeline

Inclusive Approach

- Every employee is considered talented
- Focuses on developing entire workforce

Research suggests both approaches have advantages depending on organizational context.

2.4 Global Talent Management Approach

With globalization, multinational organizations face challenges such as:

- Cross-cultural diversity
- International mobility
- Global leadership development

Global Talent Management ensures talent deployment across international subsidiaries.



Figure 10: Talent Management Strategy

3. Developing a Talent Management Strategy

Developing a Talent Management Strategy requires alignment with organizational vision, mission, and competitive goals.

According to **Peter Cappelli**, talent strategy should be demand-driven and flexible rather than rigid long-term manpower forecasting.

Steps in Developing Talent Management Strategy

- 1. Analyze Business Strategy** - Understand growth plans, diversification, or market expansion.
- 2. Conduct Workforce Analysis** - Assess current skills and gaps.
- 3. Define Talent Philosophy** - Inclusive or exclusive?
- 4. Identify Key Positions** - Strategically important roles.
- 5. Develop Talent Pipelines** - Succession and leadership plans.
- 6. Align HR Systems** - Recruitment, appraisal, compensation must support strategy.
- 7. Measure and Evaluate Outcomes** - Use HR analytics and KPIs.

According to Wayne Cascio, evidence-based HR practices improve strategic talent decision-making.

4. Mapping Business Strategy and Talent Management Strategy

Talent strategy must support business objectives. Misalignment leads to inefficiency and talent shortages.

Strategic Alignment Model

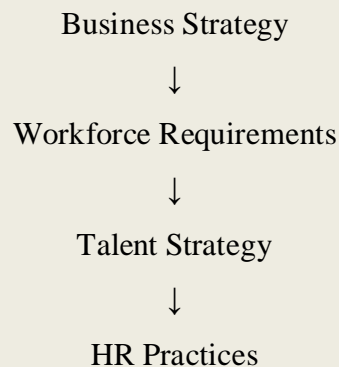




Figure 11 Strategic Alignment Model

For example

Business Strategy	Talent Strategy
Cost Leadership	Efficiency-focused workforce
Differentiation	Innovation-driven talent
Expansion	Aggressive recruitment & leadership pipeline

5. Post-Recession Challenges of Talent Management

The global recession (2008 financial crisis) changed the talent landscape significantly.

Post-recession challenges include:

5.1 Budget Constraints -

Organizations reduced hiring, training, and development expenses.

5.2 Skill Shortages

Even during unemployment, there were shortages of critical skills.

5.3 Employee Trust Deficit

Layoffs affected employee loyalty and engagement.

5.4 Workforce Flexibility

Organizations increased contractual and gig employment models.

5.5 Increased Competition for High Performers

Despite recession, high-performing employees remained in demand.

According to post-recession HR literature, organizations must focus on:

- Workforce agility
- Leadership resilience
- Learning culture
- Digital HR transformation

6. Contemporary Trends in Talent Management

Post-recession and post-pandemic developments include:

- Digital Talent Analytics
- Remote Workforce Management
- Employer Branding
- Diversity & Inclusion Strategy
- Agile Talent Models

Modern Talent Management is technology-driven and analytics-based.

Case: Talent Strategy in Post-Recession Era at GlobalMart

Background

GlobalMart, a multinational retail chain, faced severe losses during an economic downturn (post-pandemic slowdown). The company had to **cut costs while retaining critical talent**.

Problem

- Workforce reduced by 20%
- Employee morale dropped significantly
- Remaining employees faced workload pressure
- Leadership pipeline weakened

Data Snapshot

- Revenue decline: **18%**
- Employee engagement: dropped from **72% to 50%**
- Leadership vacancies: increased by **25%**

Strategic Dilemma

Should GlobalMart:

- Focus on cost-cutting (layoffs), OR
- Invest in long-term talent strategy?

Discussion Questions

1. What are the post-recession talent challenges?
2. How can business strategy align with talent strategy?
3. Suggest a sustainable talent management approach.
4. Should layoffs be the primary strategy? Justify.
5. Design a talent strategy for recovery phase.

QUESTIONS

2-Mark Questions

1. Define Talent Management Approach.
2. What is strategic talent management?
3. What is business strategy alignment?
4. Define recession impact.
5. What is workforce agility?
6. What is talent analytics?
7. Define HR strategy.
8. What is talent pool?
9. Define leadership development.
10. What is organizational strategy?

10-Mark Essay Questions

1. Explain different approaches to Talent Management.
2. Discuss development of Talent Management strategy.
3. Explain mapping of business and talent strategies.
4. Analyze post-recession challenges in Talent Management.
5. Evaluate importance of strategic talent management.
6. Discuss role of leadership in talent strategy.
7. Explain global approaches to talent management.
8. Analyze impact of economic changes on talent management.
9. Discuss alignment between HR and business strategies.
10. Evaluate future trends in talent management.

Application-Oriented Questions

1. Develop a talent strategy for a growing company.
2. Case: Economic slowdown - suggest talent strategies.

3. Align HR strategy with business goals.
4. Analyze talent challenges in recession.
5. Suggest strategies for talent development.
6. Evaluate talent strategy of a multinational company.
7. Design leadership development program.
8. Apply talent management in service sector.
9. Suggest improvements in existing talent strategy.
10. Create strategy for managing remote workforce.

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UNIT V
TALENT PLANNING AND ACQUISITION

“The secret of my success is that we have gone to exceptional lengths to hire the best people in the world.”

— Steve Jobs

PART I: Talent Planning

1. Introduction to Talent Planning

Talent Planning refers to the *systematic process of forecasting and fulfilling an organization's human capital requirements* to achieve strategic objectives. It ensures that the right people with the right competencies are available at the right time.

According to **Peter Cappelli**, talent planning must be flexible and demand-driven rather than relying only on long-term manpower forecasts. He emphasizes aligning workforce planning with business uncertainty.

Strategic talent planning integrates:

- Business strategy
- Workforce analysis
- Succession management
- Leadership development

2. Objectives of Talent Planning

The major objectives include:

- 1. Ensuring Talent Availability** - Prevent shortages or surpluses of workforce.
- 2. Supporting Business Growth** - Align workforce with expansion plans.
- 3. Building Leadership Pipeline**- Prepare future managers and executives.
- 4. Minimizing Talent Gaps** - Identify competency gaps and address them through development.
- 5. Cost Optimization** - Reduce excessive recruitment and turnover costs.

*The strategic importance of talent planning can be explained through the Resource-Based View (RBV) theory by **Jay Barney**, which argues that human resources become a source of competitive advantage when strategically developed.*

3. Steps in Strategic Talent Planning - Strategic talent planning follows a structured process:

Step 1: Environmental Scanning- Analyze internal and external environment including technological trends, demographic shifts, and economic conditions.

Step 2: Business Strategy Analysis- Understand company vision, mission, and long-term growth strategy.

Step 3: Workforce Demand Forecasting- Estimate future manpower requirements (number and skills).

Step 4: Workforce Supply Analysis- Assess current workforce competencies and future retirements.

Step 5: Gap Analysis- Compare demand and supply to identify shortages.

Step 6: Talent Action Plan- Develop recruitment, training, and retention strategies.

Step 7: Monitoring and Evaluation- Use HR metrics to assess effectiveness.

According to **Wayne Cascio**, evidence-based HR planning improves organizational efficiency and reduces risk.

4. Succession Planning Program

Succession planning is a structured process to identify and develop future leaders for critical roles.

According to David G. Collings and Kamel Mellahi, strategic talent management particularly emphasizes identifying key strategic positions and building internal talent pools.

Objectives of Succession Planning

- Ensure leadership continuity
- Reduce dependency on external hiring
- Enhance employee motivation
- Protect organizational stability

Steps in Succession Planning

1. Identify Critical Positions
2. Define Competency Requirements
3. Identify High-Potential Employees
4. Provide Development Programs
5. Monitor Readiness Levels

Succession planning is closely linked to career development and performance management systems.

PART II: Talent Acquisition

5. Introduction to Talent Acquisition

Talent Acquisition refers to strategic activities undertaken to identify, attract, and hire individuals whose competencies match organizational needs.

Unlike traditional recruitment, talent acquisition is long-term and brand-oriented.

6. Strategic Trends in Talent Acquisition

Modern organizations are adopting innovative strategies:

- 1. Employer Branding-** Organizations build a strong employer image to attract top talent.
- 2. Social Media Recruitment -** Platforms like LinkedIn are used for sourcing candidates.
- 3. Data-Driven Recruitment -** Use of analytics and AI for candidate screening.
- 4. Diversity & Inclusion Hiring -** Focus on inclusive workplaces.
- 5. Gig and Contract Workforce -** Flexible workforce models have increased.

*According to **John Boudreau**, talent decisions increasingly rely on workforce analytics and predictive modeling.*

PART III: Talent Engagement and Retention

7. Retaining and Engaging Workers

Employee engagement refers to emotional commitment employees have toward the organization.

Retention refers to organizational strategies to reduce voluntary turnover.

Motivational theories provide theoretical support:

- **Frederick Herzberg** – Two-Factor Theory
- **Abraham Maslow** – Hierarchy of Needs

Retention improves when intrinsic and extrinsic motivators are addressed.

8. Best Practices for Talent Engagement

1. Transparent Communication
2. Performance-Based Rewards
3. Learning and Development Opportunities
4. Work-Life Balance

5. Leadership Support
6. Career Advancement Pathways

Organizations that create engagement cultures show higher productivity and profitability.

9. Improving Employee Retention

Strategies include:

- Competitive Compensation
- Career Development Programs
- Mentorship & Coaching
- Recognition Systems
- Employee Wellness Programs
- Flexible Work Policies

High turnover results in:

- Increased hiring cost
- Knowledge loss
- Reduced morale

Thus, retention is a strategic priority.

Integrated Framework

Talent Planning → Talent Acquisition → Talent Engagement → Talent Retention →
Succession Planning

This cycle ensures continuous availability of competent workforce aligned with strategic objectives.

Case: Talent Acquisition & Retention at FinX Digital

Background

FinX Digital, a fast-growing fintech startup, aimed to scale from 200 to 1,000 employees within 2 years.

Problem

- Difficulty attracting skilled fintech professionals
- High attrition among new hires (within 1 year)
- Weak onboarding and engagement practices

Data Snapshot

- Offer acceptance rate: **55%**
- First-year attrition: **38%**
- Employee satisfaction: **62%**

Challenges

- Strong competition from MNCs
- Limited employer branding
- Lack of structured talent planning

Decision Point

How should FinX redesign its **Talent Planning, Acquisition, and Retention strategy?**

Discussion Questions

1. What are the major challenges in talent acquisition?
2. Suggest strategies to improve employer branding.
3. How can onboarding impact retention?
4. Design a talent acquisition plan for FinX.
5. Recommend employee engagement practices.

QUESTIONS

2-Mark Questions

1. Define Talent Planning.
2. What is succession planning?
3. Define talent acquisition.
4. What is employee engagement?
5. What is retention?
6. Define workforce planning.
7. What are recruitment trends?
8. What is onboarding?
9. Define employee experience.
10. What is job satisfaction?

10-Mark Essay Questions

1. Explain objectives of Talent Planning.
2. Discuss steps in Strategic Talent Planning.
3. Explain Succession Planning Program.

4. Analyze trends in Talent Acquisition.
5. Discuss strategies for employee engagement.
6. Explain best practices for talent retention.
7. Evaluate importance of talent planning in organizations.
8. Discuss challenges in talent acquisition.
9. Explain relationship between engagement and retention.
10. Analyze modern recruitment strategies.

Application-Oriented Questions

1. Design a talent acquisition plan for IT firm.
2. Develop succession planning for top management.
3. Case: Low engagement—suggest improvements.
4. Suggest retention strategies for skilled employees.
5. Analyze recruitment trends in digital era.
6. Create employee engagement program.
7. Evaluate hiring strategy of a company.
8. Suggest onboarding improvements.
9. Apply talent planning in startups.
10. Design retention plan for Millennials.

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