

Advances in Strategic Human Resource Management
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Strategic Perspective of Talent Management
Lecture - 03 B
Potential Matrix: A Tool for Talent Management

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Identify and Cultivate the Critical Top Talent

- The potential of the company depends on the top 2-5% employees who create disproportionate value.
- This is generally the first task of the 'G3' to identify those people who in the right roles will most accelerate your company's growth.
- Ex. Lou Gerstner at IBM, Steve Jobs at Apple

Now, when you look at the Talent Management Process, it will more closely. How to identify and cultivate the critical top talent? That is a critical question which HR function need to answer. We need to answer this question because potential of the company depends on top 2 to 5 percent employee, who create disproportionately high value.

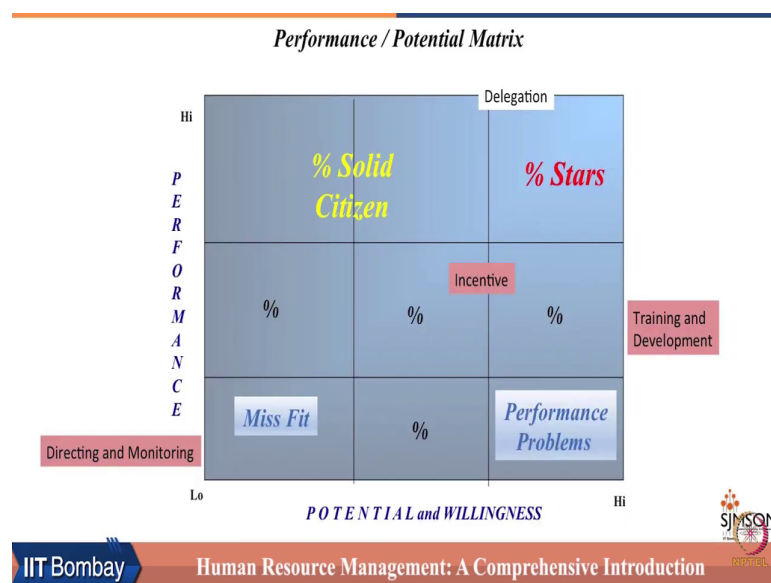
There are studies now which suggest that performance in organization is not distributed in the normal curve or Gaussian curve. Performance in the organization is represented better by

Pareto law; that means, 20 percent of that talent contributes to 80 percent of organizational success.

So, this is generally the first task of G3 to identify those people, who are in the right role and they will be most accelerated, they will most accelerate the company's growth. We have example of some of the very bright and very highly valuable talent like Gartner in IBM or Steve Job himself in the Apple. They bring very very high level of value to the organization.

So, organizations need to understand, which are the critical talents and keep harnessing the talent in the organization.

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If we look at the overall picture and if we want to plot people across the organization in terms of their talent value. This graph can be plotted between performance and potential and

willingness. So, using this framework we can categorize the talent. First category of the talent is which is high in terms of performance and slightly lower on or in the middle range of the potential and willingness.

They constitute the solid citizens of the organization. They may not be very ambitious, they may not be stars, but they are the solid performers who are able to deliver day to day, week to week, quarter to quarter performance, consistently quarter after year and perhaps year after year.

So, in any organization they there has to be a very strong and robust solid robust group of solid citizens. Second category of the talent can be performance problems means people who are high on potential and willingness, but they are not able to perform well. These are the talent generally there in the amongst the group which are earlier in their employment life cycle.

So, that is found in large percentage at the entry level or frontline management. These people have to be trained, training, coaching, mentoring particularly training is can be very useful for this category of talent. Which are high on potential and willingness, but low on performance.

Third category of talent can be called stars. These are stars because they contribute immensely to the productivity and innovation in an organization. They are very high on performance and they are also very high on potential and willingness. These are also our most vulnerable talent.

These are the people; these are the performers whom competitors can are generally always looking out for. And the at and talent in this category is most vulnerable for the talent coaching by the competitors. These category, this category of talent the best strategy for them is delegation.

They do not like close monitoring, certainly do not like close directing, they have to be given sufficient autonomy to perform and that is why in their case delegation is most important

technique or method of management with them. Then there is a last category which are low on potential and willingness and also low on performance. This category is called miss fit.

This pool of talent are the least engaged pool in any organization. We need to recognize, that these are not worthless human being. Only thing is they may not fit in their current role. And that is why they are neither willing to perform, nor they exert effort to show their performance. They may be highly talented and can be stars in some other organization or may be in some other industry.

So, organizations or particularly HR need to help and need to approach this; these miss fits in a positive way. Even if they have to ask this pool of people to lead the organization that has to be done compassionately and that has to be done respectfully and with dignity.

In some good organizations HR also helps these miss fits to identify their true calling, identify their inherent talent and sometime they are guided to pursue that talent outside of the organization and sometime even inside of the organization. So, we must notice that this matrix is called talent matrix. Here nothing is useless.

All quadrant or all squares represent a unique kind of talent. Miss fits have to be directed and they deserve more monitoring, whereas people who are high at the middle range of the performance and the middle to high range of the potential and willingness they are the people most motivated by the incentives.

So, we can see delegation, incentive, directing, and monitoring, training, and development may not work in all kinds of talents or all the human resources. Intelligent human resource department need to identify the category of the talent and accordingly they need to intervene.

The Good organizations are those, which have systems and processes in the form of training and development, performance management and compensation management system, so that they can deal with the different categories of the talent differently. Similarly, training and development do not work and is not very useful for all the categories of the employees.

Training and development works best for the people who are at the middle range of the potential and willingness and performance. So, we need to understand, frequency that talent management metrics can be very helpful to track the talent and manage the different kind of talent according to its requirement by the HR function. And HR function can use this talent matrix to share their policies to the top management.

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Reconnect with Discussion about the Top Talent

- Are top 5% definitely a group of employees with fanciest of title?

How to identify the top 5%?

- Key actors in social network of the company?
- Veterans whom newcomers turn to for advice to steer a cross functional project?
- Savvy analyst who provides valuable insights into diverse set of data?
- A programming expert who is remarkably fast?
- Someone who is great at clinching a deal?
- A charismatic person who creates and infectiously encouraging workplace around him?

Now, we will talk about some of the tips to identify the top talents. How do we identify the top talents? Top talent employees or the most valuable employees may not be having the fanciest of title. So, HR need to work more closely and more minutely to understand and to identify the critical top HR has to work more meticulously to identify the top talent in organization.

Now, how do we identify top talent? We can identify by looking at the; who are the key actors in the social network of the company? Most popular people. Who are the veterans in the organization? Whom newcomers turn to for advice to steer a cross-functional project?

Who are the savvy, who is the savvy analyst, who provides valuable insights into diverse set of data? Who is programming expert? Who is remarkably fast someone who is great at clinching a deal a charismatic person who creates an infectious encourages people around him.

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Few Examples in Indian Context

- Value-centric talent-management approaches – linking critical leadership roles to the value they needed to generate, Ex. Piramal Group, Unilever
- Value centric multi facet talent management process, Ex. Tata
- Strategic focus Talent Management with Apex Talent Council and the CEO, senior executives head a network of business and functional talent councils, Shadow Boards Program of Mahindra AFS
- Organizations in India's highly competitive labor market focused on **leadership, diversity and responsive dialogue with employees** are more likely to perform well on business and talent outcomes, according to new research from [Bersin by Deloitte](#), Deloitte Consulting. (Based on 269 Indian organizations with more than 100 employees.)

So, these are some of the clues which HR managers have to keep looking at to identify the top talent in organization. Talent management process is a very important process as we are discussing in the last few minutes. Some examples will be worth quoting over here different

organization actually can tweak the talent management according to the strategy and culture of their organization.

So, for example, Piramal Group emphasize a lot if they value the value centric talent management approaches. They have identified some set of values and these are very important for the organizational members to imbibe and live by in the Piramal Group.

Similarly, Unilever also emphasize on the value centric talent management approach. Value centric multi facet talent management approach is adopted by Tata Group, Tata administrative services has a very robust talent development program where in more than a year the talent the management trainees are trained in different functions in different context.

Strategic focus talent management approach is the example of the Mahindra AFS. So, this talent council is headed by the CEO and many senior executives sit in the talent council. They have a interesting process called shadow boards program, wherein young talented employees are given opportunity to work with very senior people sometime even the boards; board members to get the big picture about the organization and also it help the senior managers to understand the perspective of the younger employees.

There is a comprehensive study conducted by Deloitte Consulting, which included 269 Indian organizations with more than 100 employees. They found organization in India's highly competitive labor market focused on leadership, diversity and responsive dialogue with employees are the most likely to perform well on business and talent outcome.

That means for the best talent management process in India leadership, leadership development, encouraging diversity and responsive dialogue between leaders and employees are the are some of the most crucial processes.