LU4
HRD ANALYTICS
&
TALENT
MANAGEMENT
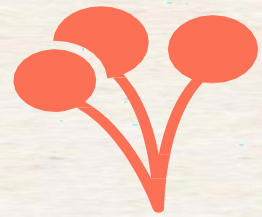
LECTURE CONTRACT

1. Define talent & talent management

2. Explain the importance of HR analytics to talent management

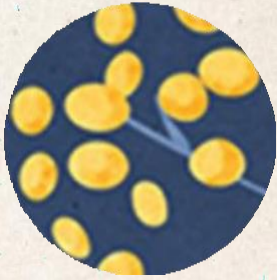3. Discuss the implications of HR analytics to talent management

1) What is talent?

TASK 1

LIST YOUR PERSONAL TALENTS

ORIGIN OF THE WORD

'Talent' is a word of Greek origin, talanton, which in ancient Greece was a unit of money, 57 pounds or 26 kilogrammes of silver.

COLLINS ENGLISH DICTIONARY

Talent is the natural ability to do something well .

McKINGSLEY (2019)

Talent is the sum of:

- a person's abilities
- his/her intrinsic gifts
- skills, knowledge, experience
- intelligence
- judgement, attitude, character, drive
- his/her ability to learn & grow

TASK 2

LIST THE TALENTS AN EMPLOYER WANTS

TONY BLAIR (1999)

"Talent is the 21st century's wealth".

ANSAR & BALOCH (2018)

Talent is a desirable quality in all human beings and organizations need workers with the right TALENT

HR CENTAR

Talented employees solve complex problems faster and more easily, which makes them stand out.

Niedźwiecka (2016)

Talent mainly consists of :

1. **Extraordinary intellectual skills** (general and specialist);

2. A **creative attitude** (originality, flexible thinking and acting, tackling unconventional problems, and a high tolerance to risk, change, uncertainty and ambiguity);

3. A **commitment to work** (self-disciplined, persistent in pursuing goals, and hard-working)
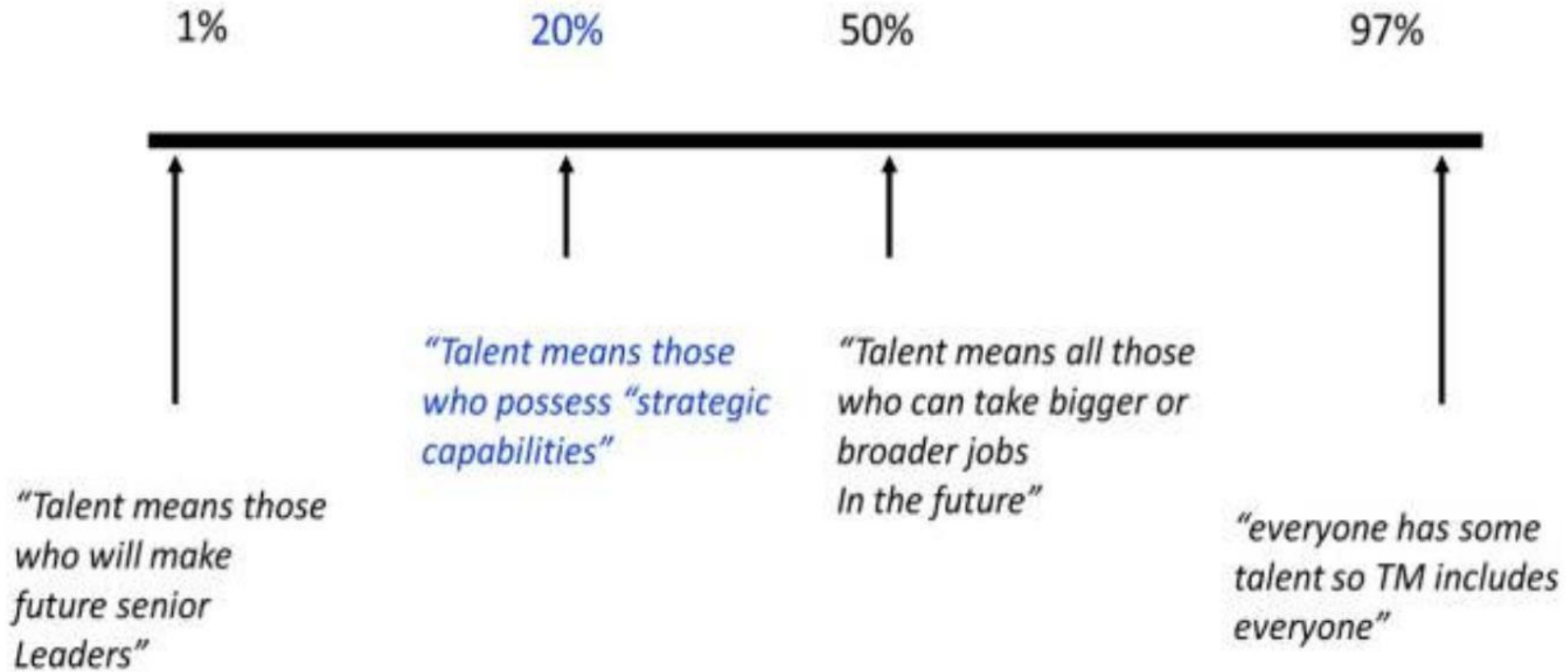
Talent is defined as a "person characterized by **potential**, **skills**, **motivation** and **knowledge**, who through his/her activities **has a material impact on the organisation's operations**, who **overachieves**, and **meets set targets** while **taking care of his/her own development**".

INCLUSIVITY vs EXCLUSIVITY

1%   20%   50%   97%

"Talent means those
who possess "strategic
capabilities"

"Talent means all those
who can take bigger or
broader jobs
In the future"

"Talent means those
who will make
future senior
Leaders"

"everyone has some
talent so TM includes
everyone"

WHAT IS TALENT? (Ulrich & Smallwood ,2012)

Figure 1: Overview of Talent Pyramid and Choices

1: C-Suite Executives: Succession, Customized Experiences, and Modeling

2: Leadership Cadre: $\sqrt{x}$ Leadership Academy

4: All Employees

3: High Potentials:
10-15 percent of People
10-15 percent of Time
Personal Development Plan
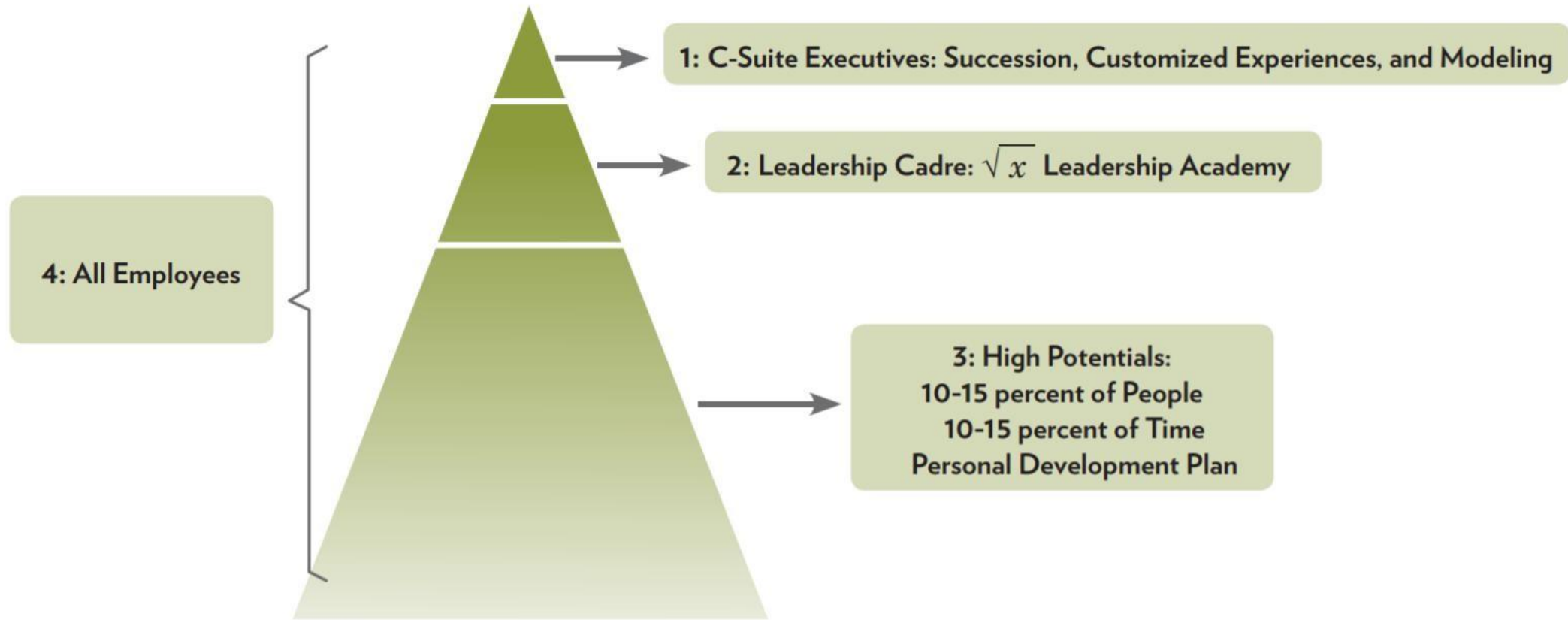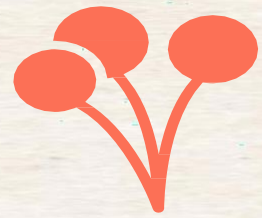
2) What is talent management (TM)?

Definitions of Talent Management (What do they have in common?)

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

Source: own study based on: Armstrong, 2007, p.354; Jamka, 2011, p. 196; Moczydłowska, 201... Pocztowski, 2008, p. 50.

01

02

03

(Mikuła, Stefaniuk, 2012)

Talent management is currently perceived as a **key method of gaining and maintaining a competitive edge** .

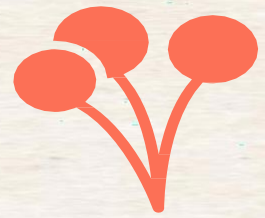# 3) Concepts of talent management (TM)?

Evolution of the HR Function

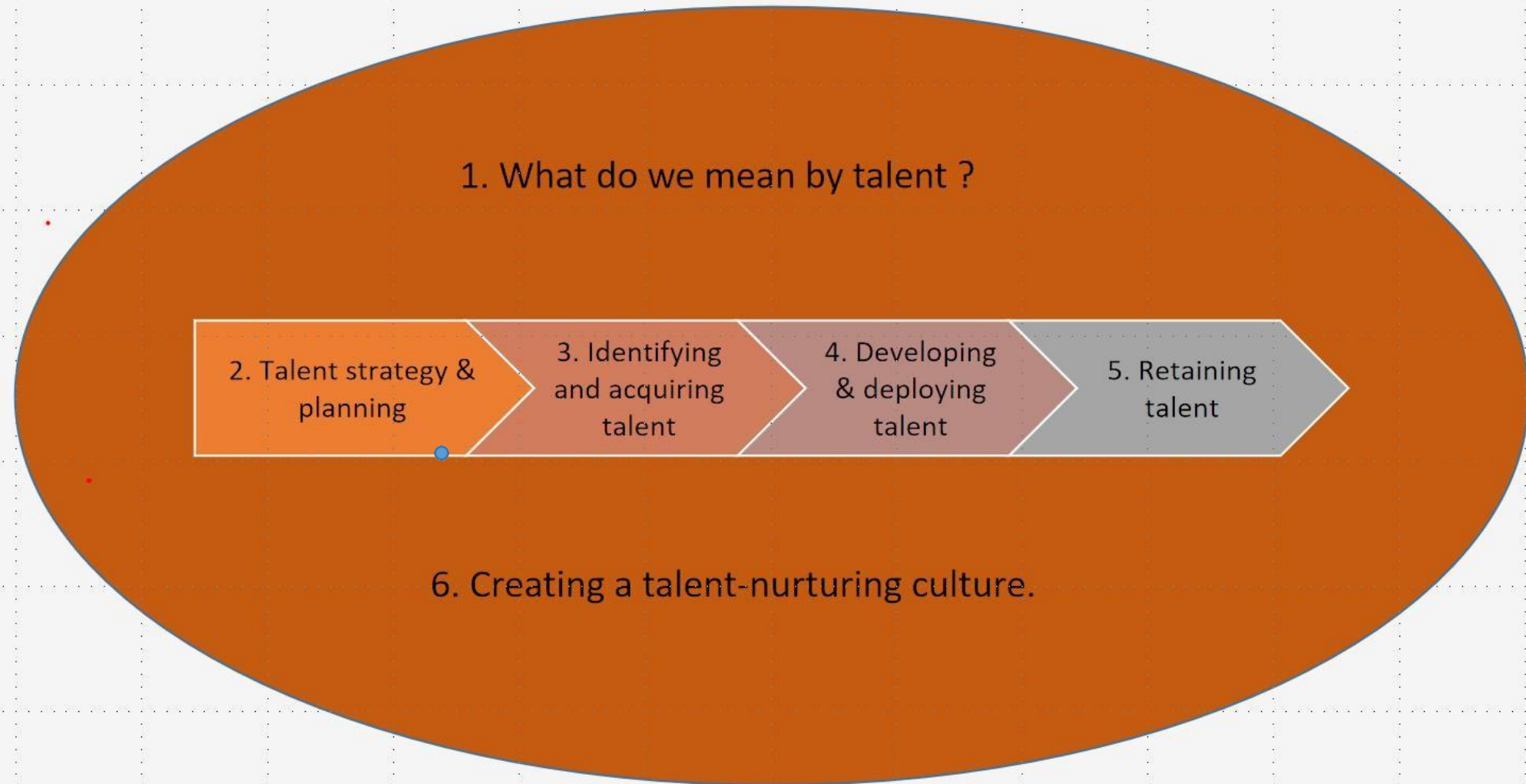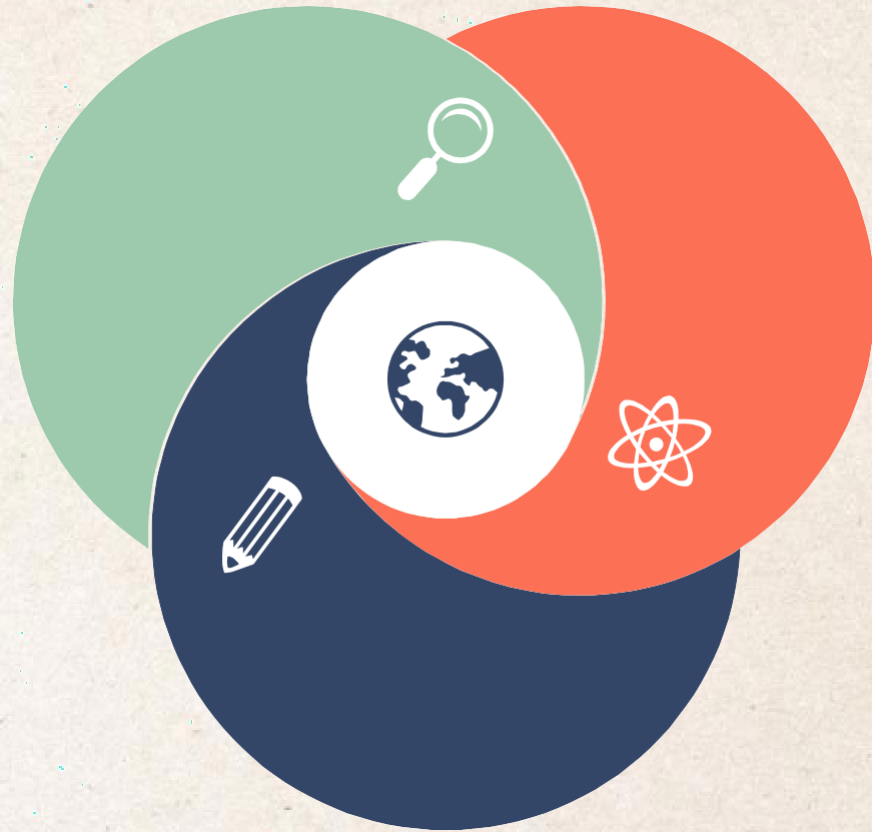**Talent Management**

Competency Management
Performance Management
Succession Planning

Business Integration

Performance Management
Succession Planning
Competency Management
Systems Integration
Leadership Development

Strategic HR

Recruiting
L&D
Org Design
Total Compensation
Communications

Business Partner

Recruiting, ATS
HR Portals
Compensation
Learning Management

Personnel Department

Payroll
Benefits

Business Function

Payroll Systems

Workforce Talent Management Process
© Bersin & Associates
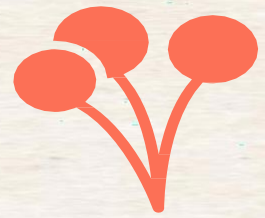
WATCH THIS VIDEO & FIND OUT THE
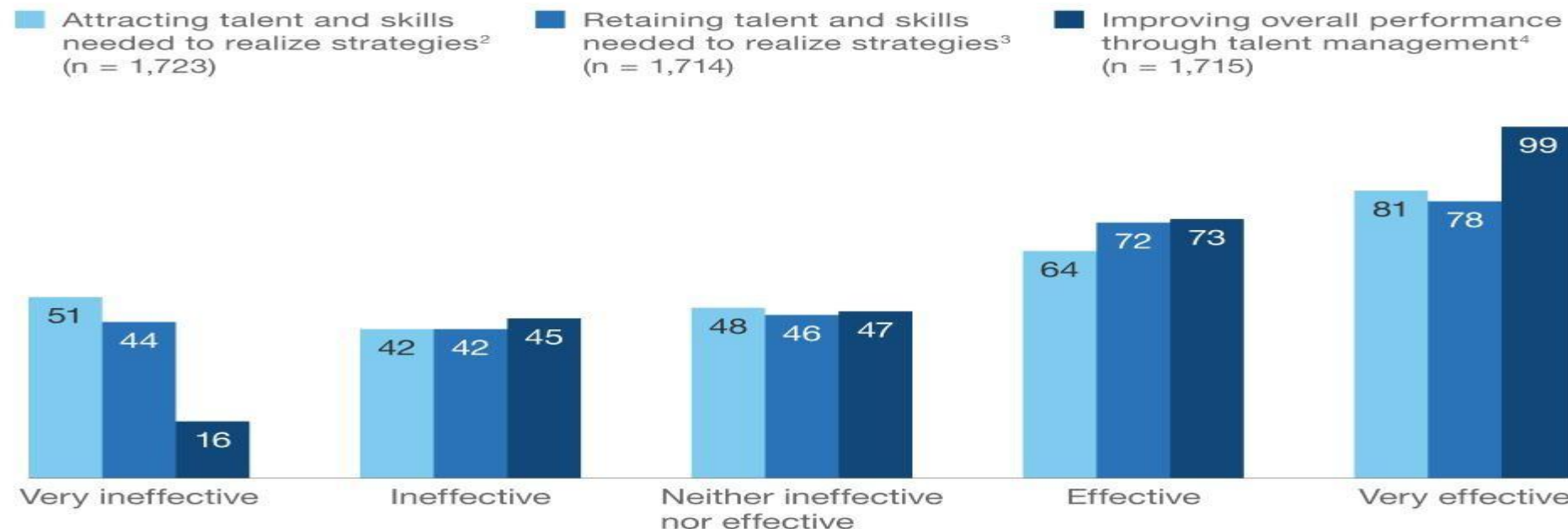**3 BASIC PRINCIPLES** OF GREAT TALENT MANAGEMENT. TELL US MORE ABOUT ONE PRINCIPLE YOU LIKE.

4) Importance of HR analytics to talent management (TM)

The abilities to attract and retain talent, in addition to having an effective talent-management program, support organizational outperformance.

Respondents whose organizations have performed somewhat or much better than competitors over past 3 years,[1] based on effectiveness of talent-management practices, % of respondents

- ■ Attracting talent and skills needed to realize strategies[2] (n = 1,723)
- ■ Retaining talent and skills needed to realize strategies[3] (n = 1,714)
- ■ Improving overall performance through talent management[4] (n = 1,715)

	Very ineffective	Ineffective	Neither ineffective nor effective	Effective	Very effective
Attracting talent and skills	51	42	48	64	81
Retaining talent and skills	44	42	46	72	78
Improving overall performance	16	45	47	73	99

[1]Figures were calculated after removing respondents who said "don't know."
[2]Respondents were asked how successful their organizations are, compared with competitors, at attracting talent and skills needed to realize their strategies.
[3]Respondents were asked how successful their organizations are, compared with competitors, at retaining talent and skills needed to realize their strategies.
[4]When asked how effective their organizations' talent management has been at improving overall performance, 4% of respondents said "very ineffective," 19% said "ineffective," 35% said "neither ineffective nor effective," 38% said "effective," and 5% said "very effective."

McKinsey&Company

The Importance of HR Analytics to Talent Management

HR analytics can be used to help manage talent.

From predicting future top performers to grooming successors for key positions and identifying internal threats before they strike, today's HR analytics are powerful tools for employers.

This concept provides greater visibility into employee data which can then help enterprise leaders to develop and improve recruiting methods, make better-informed hiring decisions, and retain the top talent within a company.

With huge amounts of data being generated by the various applications used by organizations, HR analytics tools can provide critical insights into different aspects of the organization's human resources.

These insights can be leveraged to make better-informed decisions.

HR Analytics & Talent Management

1

- Workforce analytics give organizations a great alternative to applicant tracking systems because they have more comprehensive and relevant data, keywords, algorithms, etc.
- In this way, the results will be much more relevant and up-to-date as well.
- While performing background checks, for example, workforce analytics algorithms are designed to use external data, like social media activities, to get a more detailed profile of the candidate, which can reduce recruitment/hiring time.

2

- HR analytics can also provide insight into which sources or channels have a higher ROI (Return on Investment).
- As a result, organizations can target their recruitment strategies on those specific sources and channels where the returns are highest.
- They can be used to find out any risks in employee retention, the best candidate for a job role, compliance risks and a whole lot more.

3

- One of the major factors that cause employees to leave or stay in a company is compensation.
- Workforce analytics can be leveraged in this aspect to determine fair compensation on the basis of data and information collected from various relevant external sources, years of service, performance, etc.

4

- Succession planning is another area where workforce analytics can be used – organizations can use details about employee capabilities and career paths to identify and prepare potential successors.

5

- Lastly, when organizations look for candidates before the interviewing process, the candidate's public record and social media usage data are usually reviewed beforehand.
- Pre-hire analysis, however, is a relatively new kind of workforce analytics. It can be used to find and predict the undesirable behavior of the candidates' behavior pattern during the hiring process.
- This ensures that time and/or resources are not wasted on potential candidates that aren't fit for the role.

Top performing companies have been quick to identify talent as a critical competitive differentiator. Costs associated with TM have evolved from being considered as a business expense to long-term strategic investment.

Hiring the right talent, nurturing & retaining them have always been among the top challenges faced by HR teams across organizations.
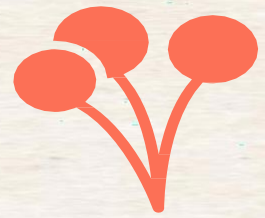
The task of hiring a candidate had a major hunch factor involved rather than facts.

In addition, a lot of HR activities of nurturing and retaining talents too, are not attributed to data driven facts.

However, things are changing fast as organizations now leverage data to facilitate their HR activities.

5) HR data used for talent management (TM)

DATA POINTS of HR analytics for talent management:

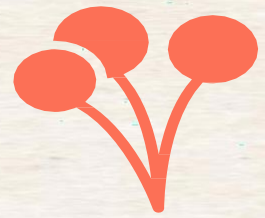| Talent Strategy & Planning	Identifying & Acquiring Talent	Developing & Deploying Talent	Retaining Talent
• the per cent of posts without a designated immediate successor; • the per cent of posts with no successor either now or long term; • the per cent of posts on the plan becoming vacant and being filled from the plan; and • the marginal costs associated with having to fill senior positions externally rather than internally.	• the quality and quantity of graduate recruits; • the "employment brand" • the per cent of senior vacancies filled internally; • the per cent of external candidates accepting the offer; and • the quality of employee value proposition in the market (a ranking perhaps).	• the per cent who have been moved to a new position in the last year; • the per cent that are on development secondments; • the per cent with experience in more than one function and/or geography; • the per cent who have had a business school development experience; and • the per cent that are beyond their "earliest date for a move".	• the per cent of people in talent pools lost to the organization over a defined period; • the per cent of such people giving "lack of career opportunity" as their reason for leaving; • the per cent of such people giving "discomfort with the culture" as their reason for leaving; and • the average engagement level of people in our different talent pools

6) Implications of HR analytics to talent management (TM)

IMPLICATIONS OF HR ANALYTICS TO TALENT MANAGEMENT

HR analytics will make the HR function more strategic.

- The goal of people analytics is to see how business outcomes can be improved by changing people management practices.
- People analytics is therefore inherently strategic and data-driven and will, therefore, impact how we attract, hire, evaluate, promote & fire people.

Analytics requires a data-driven mindset for HR professionals.

- Access to data & analytics changes the role of the HR business partner.
- Traditionally, the business partner followed the manager's input. This could involve very operational activities

The data going into the systems will become more important.

- HR data is notorious for its data quality. The data going into the systems become increasingly important as it is now used for analysis and forms the basis of informed decision making and action.
- This requires system administrators to design better systems with a lower risk of errors and makes the administrative roles in the HR department more important.

HR analytics will impact the tools we use.

- Analytics enables the optimization of talent management. Every step in the employee journey can be analyzed and optimized.
- This involves measuring how we attract, manage, and promote talent. This will change how we deploy our HR tools as they will have to aggregate data from each step in the talent management model

People analytics changes HR by busting long-held beliefs.

- For example, a fast-food company was actively hiring people that had quit the company earlier. They were hiring them because they thought these people would require a shorter onboarding time and would stay longer because they already knew the work. However, after some analysis, the people analytics team discovered that the reason for termination was not checked and that people who were fired for fraudulent behavior were hired again.
- By sharing these insights, the recruitment team was able to make better hiring decisions.

Thank You

THANK YOU FOR
YOUR ATTENTION

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3. Ulrich, D; Smallwood, N. What is talent? (2012).

4. Mayo, A. (2018) Applying HR analytics to talent management. (www.emeraldinsight.com)