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534E9K – TALENT MANAGEMENT

MBA 3rd SEMESTER

UNITWISE STUDY NOTES

Prepared by

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VISION & MISSION STATEMENTS

Vision

To be an oasis of knowledge to the seeker, to nurture one's creativity and research acumen, and to instill a unique blend of leadership, innovative spirit and empathy in response to the ever-evolving business ecosystem.

Mission

- Provide a pedagogy that blends academic rigor and experiential learning.
- Inculcate an entrepreneurial mindset through curated activities
- Establish a conducive environment for research.
- Foster a culture of innovation and collaboration to progress in a dynamic business landscape.
- Promote humanistic values to produce socially responsible leaders.

Program Educational Objectives (PEOs)

PEO 1 – Employability: To develop students with industry specific knowledge & skills to meet the industry requirements and also join public sector undertaking through competitive examinations.

PEO 2 - Entrepreneur: To create effective business service owners, with a growth mindset by enhancing their critical thinking, problem solving and decision-making skills.

PEO3 – Research and Development: To instill and grow a mindset that focusses efforts towards inculcating and encouraging the students in the field research and development.

PEO 4 – Contribution to Business World: To produce ethical and innovative



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business professionals to enhance growth of the business world.

PEO 5 – Contribution to the Society: To work and contribute towards holistic development of society by producing competent MBA professionals.

Program Outcome

PO1 - Problem Solving Skill; Apply knowledge of management theories and practices to solve business problems.

PO2 - Decision Making Skill; Foster analytical and critical thinking abilities for data- based decision making.

PO3 - Ethical Value; Ability to develop value-based leadership ability.

PO4 - Communication Skill; Ability to understand, analyze and communicate global, economic, legal and ethical aspects of business.

PO5 - Individual and Leadership Skill; Ability to lead themselves and others in the achievement of organizational goals, contributing effectively to a team environment.

PO6 - Employability Skill; Foster and enhance employability skills through subject knowledge.

PO7 - Entrepreneurial Skill; Equipped with skills and competencies to become an entrepreneur.

PO8 - Contribution to community; Succeed in career endeavors and contribute significantly to the community.

Program Specific Objectives



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PSO 1: Finance: The students should demonstrate proficiency in analyzing financial statements, evaluating investment opportunities and making financial decision to maximize shareholders' value.

PSO 2: Marketing: Students should be able to create a comprehensive marketing plan that integrates effective communication strategies, leading to customer success and the accomplishment of marketing objectives.

PSO 3: Logistics: Students will acquire knowledge of inventory management for domestic and global supply chains, thereby developing problem-solving skills in logistics to optimize supply chain efficiency.

PSO 4: Business Analytics: The students should able to analyze data, communicate insights, take data-driven decisions and solve business problems effectively.



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SYLLABUS

Subject Code	Subject Name	Category	L	T	P	O	Credits	Inst. Hours	Marks		
									CIA	External	Total
534E9K	Talent Management	Elective	3	-	-	1	3	3	25	75	100
Course Objectives											
C1	To have a clear understanding of the concept of talent management and its role										
C2	To acquire knowledge on talent planning										
C3	To obtain knowledge on talent acquisition and retention										
C4	To understand the concept of competency mapping and models of competency mapping										
C5	To understand the methodology to be followed in competency mapping										
UNIT	Details							No. of Hours	Course Objectives		
I	Introduction to Talent Management: Definition, Meaning of Talent Management, Objectives & Role of Talent Management in building the sustainable competitive advantage to a firm, Key Processes of Talent Management, Benefits of Talent Management, Talent vs. knowledge people, Source of Talent, Consequences of failure in managing talent, Tools for Managing Talent. Building blocks of talent management: competencies – performance management, conducting performance reviews, appraising executive talent, selecting the right appraisal.							9	C1		



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II	Talent Planning – Understanding the needs and mind set of employees , Succession management process, Integrating succession planning and career planning, designing succession planning program, talent development budget, contingency plan for talent; building a reservoir of talent, compensation management within the context of talent management.	9	C2
III	Talent Acquisition and Retention – Talent Acquisition- Defining Talent Acquisition, Develop high potential employees, High performance workforce, Importance of Talent Development Process, Steps in developing talent. Talent Retention: SMR Model (Satisfy, Motivate and Reward), Employee Retention Programs, Career Planning and Development, Best practices in employee retention.	9	C3
IV	Competency Mapping: Concepts and definition of competency; types of competencies, Features of competency, approaches to mapping methods, Competency mapping procedures and steps , 5- level competency model, Developing competency models from raw data- data recording, analyzing the data, content analysis of verbal expression, validating the competency models, how competencies relate to career development and organizational goals.	9	C4
V	Methodology of Competency Mapping: Competency models people capability maturity model, developing competency framework, competency profiling, competency mapping tools, use of psychological testing in competency mapping, competency-based interviewing, assessment of competencies through 360-degree feedback, BEI, CIT, validation of competencies.	9	C5
Total		45	



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Course Outcomes		
Course Outcomes	On completion of this course, students will;	Program Outcomes
CO1	Have a clear understanding the concept of talent management and its role	PO2,PO4,PO5
CO2	Have knowledge on talent planning	PO1,PO4
CO3	Have knowledge of talent acquisition and retention	PO3,PO5,PO8
CO4	Have an understanding of the concept of competency mapping and models of competency mapping	PO1,PO6
CO5	Have an understanding the methodology to be followed in competency mapping	PO1,PO7
Reading List		
1.	Talent management, William J Rothwell	
2.	Talent Management for the 21 st century, P Cappelli-HBR	
3.	Strategic Talent Management, Robert J Greene	
4.	Reinventing Talent Management, Edward E Lawler	
References Books		
1.	Seema Sanghi, The Handbook of Competency Mapping, Sage Publications, 3rd Edition, 2016	
2.	Lance A. Berger, The Talent Management Handbook, Making Culture a Competitive Advantage by Acquiring, Identifying, Developing, and Promoting the Best People Tata McGraw Hill, 3rd Edition, 2018.	
3.	Edward J Cripe, Competency Development Guide, Workitect Inc., 1st Edition, 2012.	
4.	Lyle M. Spencer, Signe M. Spencer, Competence at work: Models for Superior Performance, John Wiley Publishing,1st Edition 2008.	
5.	Rao T.V., Performance Management: Toward Organizational Excellence, SAGE, 2nd Edition, 2015.	
6.	Sumati Ray Anindya Basu Roy, Competency Based Human Resource Management, SAGE, 1st Edition, 2019.	
Methods of Evaluation		
Internal Evaluation	Continuous Internal Assessment Test	40 Marks
	Assignments/mini project/ demonstration sessions	
	Seminars	



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	Attendance and Class Participation	
External Evaluation	End Semester Examination	60 Marks
	Total	100 Marks
Methods of Assessment		
Recall (K1)	Simple definitions, MCQ, Recall steps, Concept definitions	
Understand / Comprehend (K2)	MCQ, True/False, Short essays, Concept explanations, Short summary or overview	
Application (K3)	Suggest idea/concept with examples, Suggest formulae, Solve problems, Observe, Explain	
Analyze (K4)	Problem-solving questions, Finish a procedure in many steps, Differentiate between various ideas, Map knowledge	
Evaluate (K5)	Longer essay/ Evaluation essay, Critique or justify with pros and cons	
Create (K6)	Check knowledge in specific or offbeat situations, Discussion, Debating or Presentations	

	PO 1	PO 2	PO 3	PO 4	PO 5	PO 6	PO 7	PO 8
CO 1		M		S	M			
CO 2	M			M				
CO 3			M		S			S
CO 4	M					M		
CO 5	S						M	

S-Strong M-Medium L-Low



INTRODUCTION TO TALENT MANAGEMENT

Introduction to Talent Management: Definition, Meaning of Talent Management, Objectives & Role of Talent Management in building the sustainable competitive advantage to a firm, Key Processes of Talent Management, Benefits of Talent Management, Talent vs. knowledge people, Source of Talent, Consequences of failure in managing talent, Tools for Managing Talent. Building blocks of talent management: competencies performance management, conducting performance reviews, Appraising executive talent, selecting the right appraisal.

Definition of Talent Management

Talent Management is a **systematic, strategic process** of attracting, developing, engaging, and retaining talented employees who significantly contribute to an organization's long-term performance.

It ensures that the right people, with the right skills, are in the right roles at the right time.

Talent Management

Definition

Talent Management is a strategic, integrated set of HR processes designed to attract, identify, develop, engage, retain and deploy individuals whose skills, behaviours and potential are critical to the organisation's present and future success.



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Explanation:

- It is **systematic** — follows planned steps (acquisition → development → retention → deployment).
- It is **strategic** — aligned with business goals (e.g., entering new markets, digital transformation).
- It is **holistic** — integrates recruitment, performance management, L&D, succession, rewards and culture.
- It is **future-oriented** — not only filling current vacancies but creating a pipeline for future leadership and critical roles.

Short example:

A tech firm implements a campus program + leadership rotations to ensure engineers with managerial potential are ready to run new product teams in 3–5 years.

Exam tip: Start with the definition, add “systematic + strategic + future oriented,” then give a 1-line example.

Meaning of Talent Management

Core idea: Talent management is *what organisations do to make sure talented people exist, grow and stay — and that their capabilities match strategic needs.*

Key elements to explain:

- **Identification:** Who are the ‘talented’ people? (HiPos, specialists, critical contributors)
- **Nurturing:** How do we develop them? (training, coaching, stretch assignments)



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- **Opportunity:** Career paths, exposure, promotions, lateral moves.
- **Alignment:** Competency models and development plans linked to strategy.
- **Pipeline creation:** Pools of candidates ready for future roles (leadership, technical).

Practical note: Emphasise that talent ≠ only top performers; it includes potential, critical skills, cultural fit and role-specific expertise.

Exam tip: Use the phrase “talent = performance + potential + strategic relevance” to show depth.

Objectives of Talent Management

List clearly and explain briefly (each line 1–2 sentences in the exam):

1. **Ensure supply of talent** — meet current and future manpower needs via workforce planning.
2. **Develop leadership capability** — create internal successors for strategic roles.
3. **Enhance engagement & retention** — reduce costly turnover and preserve institutional knowledge.
4. **Attract high-quality candidates** — build employer brand and targeted sourcing.
5. **Bridge skill gaps** — focused L&D to meet competency shortfalls.
6. **Improve productivity & innovation** — skilled people perform better and innovate.
7. **Build sustainable competitive advantage** — unique skills & culture that competitors find hard to copy.



8. **Reduce hiring & turnover costs** — proactive talent pipelines lower reactive recruitment spend.

Exam tip: When answering, link each objective with a short business outcome (e.g., “develop leadership capability → continuity of strategy execution”).

Role of Talent Management in Building Sustainable Competitive Advantage

Framework (use in your answer): *Resource-based view* (people as inimitable resources) → *Talent Management* → *Sustained Advantage*

Explain with points:

- **Unique capabilities:** Talented people with embedded skills/culture are hard to replicate.
- **Continuity & resilience:** Succession plans reduce disruption during exits.
- **Speed & adaptability:** Trained, empowered employees respond faster to market change.
- **Innovation engine:** Talent fosters creative problem solving and new products/services.
- **Customer excellence:** Skilled employees improve service and customer loyalty.
- **Cultural reinforcement:** Talent management shapes values and behaviours that support strategy.

Mini case to mention: (Generic) A bank that grooms product managers internally launch digital products faster because teams already understand customer and legacy systems.



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Exam tip: Mention *VRIO attributes* (Value, Rarity, Imitability, Organisational support) briefly to connect with theory.

Key Processes of Talent Management

Explain each process and state how it links to others (showing integration):

1. Talent Acquisition

- Workforce planning → job design → sourcing (campus, lateral hiring) → selection using competency and culture fit.
- Output: right hires who match strategic competencies.

2. Talent Identification

- Assessment centres, performance data, 360° feedback to find high performers and high potentials (HiPo).
- Output: talent pool for development.

3. Talent Development

- Training (technical & behavioural), coaching, mentoring, job rotation, stretch assignments, leadership programs.
- Focus on capability building and readiness.

4. Performance Management

- Goal setting (SMART), continuous feedback, formal reviews; links pay and development to performance.
- Ensures accountability and identifies skill gaps.

5. Talent Engagement

- Culture, recognition, career conversations, meaningful work, employee experience initiatives.
- Keeps talent motivated and connected.

6. Retention Management



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- Career-pathing, differentiated rewards, personalised growth plans, retention interviews.
- Reduces attrition of critical roles.

7. Succession Planning

- Systematic identification and preparation of successors for key roles; scenarios for readiness.
- Secures future leadership.

8. Talent Review Meetings

- Periodic reviews with leaders to calibrate ratings, reconsider potential and reprioritise development spend (often use the 9-box grid).

Exam tip: Draw a simple flow (Acquisition → Identification → Development → Performance → Retention → Succession) and explain each link briefly.

Benefits of Talent Management

Write as two sections: Organisation & Employees — provide specific measurable outcomes.

For Organisation (with outcomes):

- **Higher productivity** → output per employee increases.
- **Lower turnover** → savings in hiring costs & knowledge retention.
- **Leadership continuity** → fewer disruptions, smoother strategy execution.
- **Cost efficiency** → less reactive hiring, improved ROI on training.
- **Competitive edge** → better innovation, market responsiveness.



For Employees:

- **Career clarity** → predictable growth; increases retention.
- **Skills development** → employability and job satisfaction.
- **Motivation & engagement** → better performance and discretionary effort.
- **Recognition & rewards** → improved morale.

Exam tip: Where possible, quantify benefits (e.g., “reducing turnover by x% saves recruitment and training costs”), even if you give approximate logic.

Talent vs. Knowledge People

Present a comparative table (brief) and add strategic implication:

Aspect	Talent People	Knowledge People
Core strength	Performance + Potential	Deep domain expertise
Orientation	Future-oriented, leadership potential	Task/expertise-oriented
Replaceability	Harder to replace (behaviours + networks)	Easier to replace (codified knowledge)
Role in org	Drive strategy, innovation, leadership	Execute specialized functions

Strategic implication:

Organisations need both—knowledge people maintain operational excellence; talent people drive growth, change and leadership. Talent management focuses especially on high potential and leadership grooming while knowledge management focuses on capture and transfer of domain expertise.



Sources of Talent

Explain internal and external channels with pros & cons:

Internal Sources (advantages):

- Promotions, job rotations, internal postings, referrals, internal learning programs.
- *Pros:* cultural fit, lower onboarding time, motivates staff.
- *Cons:* limited fresh ideas, internal politics.

External Sources (advantages):

- Campus recruitment, job portals, head-hunters, social media, professional networks.
- *Pros:* access to new skills & diversity.
- *Cons:* higher cost, cultural integration needed.

Best practice: Blend both—use internal mobility for leadership continuity and external hiring for specialized or scarce skills.

Exam tip: Mention employer branding & EVP (employee value proposition) as essential for effective external sourcing.

Consequences of Failure in Managing Talent

List and explain each consequence with brief cause–effect logic:

- **High turnover:** Losing institutional knowledge and incurring recruiting costs.
- **Loss of high performers:** Performance decline, morale drop among remaining employees.



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- **Leadership gaps:** Strategic drift, poor crisis response.
- **Low engagement & morale:** Productivity drops, errors increase.
- **Increased costs:** Repeated hiring, training, low productivity.
- **Poor customer outcomes:** Client dissatisfaction and potential revenue loss.
- **Stalled innovation:** Lack of fresh ideas and risk-taking.
- **Diminished employer brand:** Harder to attract future talent.

Exam tip: Provide a short scenario (e.g., sudden CTO exit without successor → product delays, stock drop) to show practical impact.

Tools for Managing Talent

Explain each tool and its purpose:

- **Competency Frameworks:** Define required skills/behaviours for roles; used in hiring and appraisals.
- **Performance Appraisal Systems:** MBO, KPIs, rating scales to assess and reward performance.
- **Talent Assessment Centres:** Simulations, business games and interviews to evaluate potential.
- **9-Box Grid:** Visual tool mapping performance vs potential for calibration and development decisions.
- **HR Analytics & Predictive Modelling:** Data-driven insights on turnover risk, hiring success, L&D ROI.
- **Learning Management Systems (LMS):** Central platform for training, tracking competencies and certifications.
- **Leadership Development Programs:** Structured programs (action-learning, coaching) to prepare leaders.



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- **Individual Development Plans (IDPs):** Personalised roadmaps for skills & career growth.
- **Succession Plans & Talent Pools:** Documented backups and rotas for critical roles.

Building Blocks of Talent Management

a. Competencies

Define & classify: Competencies = clusters of knowledge, skills, abilities and behaviours that predict successful performance. Classify as core (organisation-wide), functional (job-specific), leadership (managerial behaviours).

Use: Job profiles, recruitment, appraisals, development curricula.

b. Performance Management

Cycle: Goal setting → continuous feedback/coaching → measurement → rewards/development. Emphasise alignment of individual goals with organisational KPIs.

Best practice: Frequent check-ins (quarterly), evidence-based ratings, development conversation.

c. Conducting Performance Reviews

Steps to get right:

1. Preparation (self-assessment + manager evidence).
2. Structured discussion (achievements, gaps, behaviours).
3. Joint goal setting (with SMART goals).



4. Development plan (training/assignments).
5. Documentation & follow up.

Pitfalls to avoid: Recency bias, halo/horn effects, lack of concrete examples.

d. Appraising Executive Talent

Parameters to focus on: Strategic orientation, stakeholder management, decision-making under ambiguity, change leadership, emotional intelligence and boardroom presence.

Methods: 360° feedback, board assessments, external executive assessment centres, business simulations.

e. Selecting the Right Appraisal Method

Guidelines:

- Use **360°** for behavioural / leadership roles needing multi-source input.
- Use **MBO / KPI** for operational roles with measurable outputs.
- Use **BARS** where behaviours need to be anchored to outcomes.
- Use **Assessment centres** for promotions into managerial positions.

Talent Management

Talent Management is defined as a **strategic and systematic process** of attracting, identifying, developing, engaging, retaining, and deploying individuals who are considered particularly valuable to an organization. The concept extends beyond simple HR activities — it is a **holistic approach** that integrates multiple HR functions to ensure that the organization has the right talent at present and in the future.



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Scholars describe it as a business-aligned process that ensures **a steady pipeline of high-potential and high-performing employees** who can meet business challenges, fuel innovation, and sustain organizational growth.

It aims to **maximize the potential of people** who contribute significantly to organizational success.

Meaning of Talent Management

The meaning of Talent Management includes a wide range of activities such as:

- **Identifying critical roles** that influence strategic success
- **Selecting individuals** who have the competencies and potential to grow
- **Developing employees** through training, mentoring, and coaching
- **Engaging employees** so that they stay motivated and committed
- **Retaining high performers and high potentials**
- **Evaluating and rewarding talent** consistently and fairly

Talent Management also means creating an organizational culture where:

- Employees are encouraged to innovate
- Skills are continuously upgraded
- Leaders are developed internally
- Employees see clear career paths

Thus, talent management is about **leveraging human capital** to fulfil both strategic goals and employee aspirations.

Objectives of Talent Management

Talent Management aims at:



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1. **Building a high-performance workforce** capable of delivering superior business results.
2. **Retaining key talent**, especially in roles that are critical to competitive advantage.
3. **Creating a leadership pipeline** for future managerial and executive roles.
4. **Developing the competencies** required for executing organizational strategy.
5. **Enhancing employee engagement**, motivation, and productivity.
6. **Reducing turnover** by understanding employee needs and providing long-term opportunities.
7. **Ensuring workforce continuity** in case of retirements, resignations, and unexpected exits.
8. **Strengthening employer branding** to attract high-quality candidates.
9. **Aligning individual goals with organizational goals**.

Ultimately, the objective is to ensure that **the organization always has the talent it needs to succeed**.

Role of Talent Management in Building Sustainable Competitive Advantage

Talent Management contributes to sustainable competitive advantage in the following ways:

a. Builds Unique Human Capabilities

Employees with specialized skills and leadership abilities cannot be easily imitated by competitors. This creates a competitive edge.



b. Enhances Innovation and Creativity

Talent-rich companies generate better ideas, innovate quicker, and respond faster to market changes.

c. Strengthens Organizational Culture

A strong talent system supports a culture of high performance, accountability, and learning.

d. Ensures Leadership Continuity

Effective succession planning ensures that the organization never suffers from leadership gaps.

e. Increases Employee Commitment

Employees feel valued and stay longer, reducing turnover costs.

f. Improves Customer Satisfaction

Skilled and engaged employees deliver better customer experiences.

Thus, managing talent strategically enables long-term growth and sustainability.

Key Processes of Talent Management – Detailed Explanation

According to Lance A. Berger, Talent Management consists of the following interlinked processes:



1. Talent Acquisition

- Strategic workforce planning
- Creating an employer brand
- Recruiting and selecting talent
- Using assessment tools (tests, interviews, simulations)

2. Talent Identification

- Evaluating competencies
- Measuring potential
- Using talent assessment centres

3. Talent Development

- Training, coaching, mentoring
- Leadership development programs
- Individual Development Plans (IDPs)

4. Performance Management

- Setting SMART goals
- Ongoing feedback
- Annual performance reviews
- Rewards based on performance

5. Talent Engagement and Retention

- Recognition programs
- Work-life balance practices
- Career development opportunities



6. Succession Planning

- Identifying key roles
- Preparing future leaders
- Managing role transitions

7. Talent Review and Calibration

- Managers meet to discuss employee potential and performance
- Use 9-box matrix to categorize talent

Each process is connected, forming an integrated talent management system.

Benefits of Talent Management

For the Organization:

1. **Improved Productivity:** Skilled employees perform better and are more efficient.
2. **Lower Turnover:** Employees who see career opportunities stay longer.
3. **Stronger Leadership Pipeline:** Ready successors reduce leadership risks.
4. **Better Decision-Making:** Competent employees make better strategic decisions.
5. **Enhanced Reputation:** Attracts better candidates in the future.

For Employees:

1. **Skill Enhancement:** Continued learning opportunities.
2. **Clear Career Paths:** Employees understand how they can grow.
3. **Higher Motivation:** Recognition and rewards increase job satisfaction.
4. **Better Work Environment:** Culture of fairness and growth.



Talent People:

- Possess a blend of **knowledge, skills, potential, creativity, and emotional intelligence.**
- Can perform complex tasks and adapt quickly.
- Often groomed for leadership roles.
- High potential and high performance.

Knowledge People:

- Possess strong **technical or domain knowledge.**
- Execute tasks efficiently but may lack leadership traits.
- Important for operational success.

Difference:

- Knowledge people contribute to *current performance*, while talent people contribute to *future growth and leadership*.

Both are essential but talent becomes the key driver of competitive advantage.

Sources of Talent

Internal Sources

- Promotions: Motivates employees and keeps knowledge within the company.
- Transfers and job rotations: Employees gain multi-functional exposure.
- Internal job postings: Encourages internal mobility.
- Employee referrals: High-quality candidates recommended by employees.



External Sources

- Campus Recruitment: Brings young talent.
- Job Portals and Recruitment Agencies: Quick access to candidates.
- Professional Networks (LinkedIn): Finding specialized talent.
- Walk-ins and Job Fairs: Useful for bulk hiring.
- Social Media Hiring: Reaches a large audience quickly.

Consequences of Failure in Managing Talent

Lack of talent management results in:

1. **High turnover and loss of key employees**
2. **Leadership voids during crises**
3. **Increased hiring and training costs**
4. **Low morale and employee disengagement**
5. **Decline in productivity and innovation**
6. **Loss of customers due to poor service**
7. **Difficulty adapting to market changes**
8. **Weak employer brand**
9. **Poor organizational performance and revenue loss**

Organizations that ignore talent management eventually lose competitiveness.

Tools for Managing Talent

1. **Competency Mapping:** Identifies skills needed for job success.
2. **Talent Assessment Centers:** Simulations, role plays, exercises.
3. **Performance Appraisal Systems:** KPI-based rating, MBO, 360-degree feedback.



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4. **HR Analytics:** Predict employee performance and turnover.
5. **Succession Planning Tools:** Talent pipelines and leadership models.
6. **9-Box Matrix:** Classifies employees by performance and potential.
7. **Learning Management Systems (LMS):** Online learning and tracking.
8. **Employee Engagement Tools:** Surveys, feedback systems.

These tools support objective, data-driven talent decisions.

Building Blocks of Talent Management

a. Competencies

Competencies combine knowledge, skills, abilities, and behaviors required to perform effectively.

They help:

- Recruit the right people
- Evaluate performance
- Identify skill gaps
- Create training programs

b. Performance Management

A structured process of:

- Goal setting
- Continuous feedback
- Performance evaluation
- Rewards and development plans

It ensures alignment between individual and organizational performance.



c. Conducting Performance Reviews

Steps include:

- Reviewing previous goals
- Discussing strengths and areas of improvement
- Setting new goals
- Agreeing on development plans
- Documenting the review

Reviews should be fair, objective, and transparent.

d. Appraising Executive Talent

Executive roles need additional assessment elements:

- Strategic thinking
- Global mindset
- Decision making under pressure
- Visioning ability
- Ability to lead change

Executives are appraised through:

- 360-degree feedback
- Leadership assessment tools
- Behavioral interviews

e. Selecting the Right Appraisal Method

The method should match:



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- The nature of the job
- Organizational culture
- Level of employee

Examples:

- KPI-based appraisal for operational staff
- 360-degree for senior managers
- Assessment centres for leadership roles



UNIT II

Talent Planning Understanding the needs and mind set of employees, Succession management process, integrating succession planning and career planning, designing succession planning program, talent development budget, contingency plan for talent; building a reservoir of talent, compensation management within the context of talent management.

Understanding the Needs and Mindset of Employees

Talent Planning starts with understanding **what employees expect from the organization** and **how they think, behave, and respond to workplace conditions**. Modern employees are more aware, selective, and value-driven. Therefore, organizations must adopt a **human-centric** approach.

a. Psychological Needs

Employees expect:

- Respect and dignity
- Supportive leadership
- Psychological safety
- Opportunities for expression

A workplace that satisfies psychological needs fosters commitment and loyalty.

b. Career Needs

Employees seek:



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- Clear career paths
- Growth opportunities
- Fair promotions
- Skill development

If these are not provided, employees begin to disengage.

c. Work-Life Needs

Modern employees value:

- Flexibility (WFH, hybrid work)
- Leave policies
- Balanced workload

This improves productivity and reduces burnout.

d. Compensation and Recognition Needs

Employees expect:

- Fair salary
- Timely promotions
- Recognition for good work
- Transparent appraisal systems

Recognition is a powerful motivator.

e. Cultural Expectations

Employees want:



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- Inclusive culture
- Ethical management
- Transparent communication
- No discrimination

Understanding employee mindset helps HR design better **retention strategies**, **development programs**, and **talent pipelines**.

Succession Management Process

Succession Management is the **systematic process** of identifying and developing internal employees who have the potential to fill key leadership positions in the future.

Key Steps in the Succession Management Process

Step 1: Identification of Critical Positions

These include:

- Senior management roles (CEO, CFO)
- Technical specialist roles
- Customer-critical roles
- Strategic project leaders

Losing people in such roles can create crises; hence succession is necessary.

Step 2: Identify Potential Successors

Successors are identified through:

- Performance ratings



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- Potential assessments
- Managerial recommendations
- Assessment centres

Step 3: Assessment of Readiness

Evaluate successors on:

- Competency fit
- Leadership abilities
- Cultural alignment
- Experience levels

Tools used:

- Psychometric tests
- 360-degree feedback
- Behavioural interviews

Step 4: Development Planning

Each employee receives:

- Training programs
- Executive coaching
- Mentorship by senior leaders
- Job rotation and cross-functional exposure

These experiences build leadership capabilities.

Step 5: Monitoring and Evaluation



HR and managers track:

- Progress
- Skill improvement
- Behavioural changes

Regular talent review meetings ensure the plan stays updated.

Benefits of Succession Management

- Ensures leadership continuity
- Reduces risk during transitions
- Retains high-potential talent
- Keeps employees motivated

Integrating Succession Planning and Career Planning

Succession Planning

- Focuses on organizational needs
- Identifies future leaders
- Builds a talent pipeline for key positions

Career Planning

- Focuses on individual employee needs
- Provides career guidance
- Builds personal growth paths

Why Integration is Important?

a. Aligns Individual Aspirations with Organizational Goals



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Employees pursue careers that match company opportunities.

b. Increases Retention

Employees stay when they see a future within the organization.

c. Promotes Transparency

Employees know what roles they can aspire for and what competencies are required.

d. Optimizes Development Investments

Training can be targeted to roles that employees will eventually occupy.

e. Reduces Career-Role Mismatch

Employees grow in the right direction, reducing dissatisfaction.

Example:

A high-potential engineer who wants to shift into project management can be placed in a project leader succession program. Both employee and company benefit.

Designing a Succession Planning Program

A successful succession program must be **structured, continuous, and aligned with business strategy**.



Components of a Succession Planning Program

1. Identifying Key Roles

Look for positions where:

- Failure has high impact
- Specialized skills are needed
- Leadership responsibility is high

2. Creating Competency Models

Each key role must have clearly defined:

- Knowledge
- Skills
- Leadership abilities
- Behavioral expectations

3. Identifying High-Potential Talent

Use:

- 9-box matrix
- Performance data
- Behavioral assessments

High-potential employees are groomed for the next level.



4. Developing Talent Pools

Instead of one successor per role, create a **pool of potential successors** for flexibility.

Preparing Individual Development Plans (IDPs)

Each successor gets a plan that includes:

- Leadership training
- Job rotation
- Shadowing senior leaders
- Learning programs
- Short-term assignments

Mentoring and Coaching

Senior leaders guide successors and provide real-time learning.

Monitoring and Reporting

HR tracks:

- Readiness levels
- Development activities
- Performance improvements

Annual succession reviews ensure the plan remains updated.



Talent Development Budget

Budgeting is crucial because talent development involves significant investment in:

a. Learning and Development Programs

- Technical training
- Soft skills training
- Leadership development

b. External Certifications

Industry-recognized courses that enhance competency.

c. Coaching and Mentoring Programs

Individual coaching enhances executive capabilities.

d. High-Potential Employee Development

Special programs designed for future leaders.

e. Technology for Learning

- Learning Management Systems (LMS)
- Online training platforms
- Talent analytics tools



f. Succession Planning Initiatives

- Assessment centres
- Psychometric tests

Guiding Principles of Budget Allocation

1. **Alignment with business objectives**
2. **Focus on critical roles**
3. **ROI (Return on Investment)**
4. **Skill gap analysis**
5. **Regular review of budget usage**

Proper budgeting ensures continuous development of talent and prepares future leaders.

Contingency Plan for Talent

A contingency plan addresses **unexpected talent gaps**, ensuring business continuity.

Common Talent Risks

- Sudden resignation
- Illness or injury
- Death of key leaders
- Transfers
- Maternity or paternity breaks
- Rapid company expansion



Elements of a Talent Contingency Plan

a. Emergency Succession

Identifying immediate replacements for critical positions.

b. Short-term Delegation

Distributing responsibilities temporarily to senior team members.

c. Temporary or Contract Hiring

Hiring interim managers or consultants to fill skill gaps.

d. Knowledge Documentation

Ensuring that critical knowledge is recorded and stored.

e. Cross-Training

Employees are trained in multiple roles to reduce dependency on one person.

f. Backup Talent Pools

Ready talent available in the organization who can step in.

Benefits

- Prevents operational disruption
- Reduces dependency on key individuals
- Maintains customer satisfaction
- Strengthens organizational resilience



Building a Reservoir of Talent

A reservoir of talent means having a **large pool of skilled and capable employees** who can fill future roles.

Strategies to Build Talent Reservoir

a. Campus and Graduate Recruitment

Hiring fresh graduates and training them from the beginning.

b. Management Trainee and Leadership Programs

Designed to develop future managers.

c. Job Rotation and Cross-Functional Training

Employees gain diverse experience and broader perspectives.

d. Identification of High-Potential Talent

Using tools like:

- 9-box matrix
- Assessment centres



e. Continuous Learning Culture

Offering:

- Online courses
- Workshops
- Certifications

f. Mentorship Programs

Experienced leaders mentor young employees.

g. Internal Talent Mobility

Employees are encouraged to apply for internal roles.

Outcome

- Future-ready employees
- Reduced hiring costs
- Strong leadership pipeline
- Better organizational stability

Compensation Management within the Context of Talent Management

Compensation strategy plays a vital role in **attracting, motivating, and retaining talent.**



Components of Talent-Oriented Compensation Management

a. Pay for Performance

Employees who produce better results receive higher rewards.

b. Competency-Based Pay

Pay increases when employees learn new skills or obtain certifications.

c. Variable Pay Systems

Bonuses, incentives, and commissions tied to performance results.

d. Long-Term Incentives (LTI)

Given to high-level executives, e.g.,

- ESOPs
- Stock options
- Profit sharing

These encourage long-term commitment.

e. Retention Bonuses

Given to employees in critical or scarce-skill roles to prevent attrition.



f. Internal Equity and External Competitiveness

Compensation must be:

- Fair within the company (internal equity)
- Competitive with market levels (external competitiveness)

g. Non-Monetary Rewards

- Recognition
- Awards
- Opportunities to lead
- Flexible work options

These also help retain talent effectively.

Importance in Talent Management

- Attracts high-quality candidates
- Motivates high performers
- Reduces turnover
- Supports succession planning
- Helps build a culture of fairness and performance



UNIT III

Talent Acquisition and Retention

Talent Acquisition-Defining Talent Acquisition, Develop high potential employees, High performance workforce, Importance of Talent Development Process, Steps in developing talent. Talent Retention: SMR Model (Satisfy, Motivate and Reward), Employee Retention Programs, Career Planning and Development, Best practices in employee retention.

1. Talent Acquisition

1.1 Definition & Scope

Definition: Talent Acquisition (TA) is a **strategic, continuous process of identifying, attracting, assessing, selecting, and onboarding individuals who will meet the current and future capability needs of an organization.** Unlike transactional recruitment (short-term hiring to fill vacancies), TA is concerned with **building talent pipelines** for critical roles and aligning hiring with long-term business strategy.

Scope includes:

- workforce planning and forecasting,
- employer branding and talent attraction,
- candidate sourcing (internal and external),
- assessment and selection (tools and techniques),
- onboarding and early engagement,
- building talent pools and succession pipelines.



1.2 Why Talent Acquisition Matters (Strategic Importance)

- **Competitive advantage:** right people in critical roles execute strategy faster and better.
- **Cost efficiency:** proactive pipelines reduce urgent external hiring costs and bad-hire risk.
- **Capability continuity:** keeps key skills available despite turnover or growth.
- **Agility:** quick access to talent enables faster strategic moves (new markets, products).

Cappelli's insight: He argues many organizations poorly forecast talent needs and oscillate between shortage/surplus. He advocates supply-chain thinking and more flexible, just-in-time talent solutions rather than static long-term forecasts.

1.3 Developing High-Potential (HiPo) Employees

Who are HiPos? Employees who **demonstrate potential** (ability + aspiration + engagement) to take on larger, more complex roles in future.

Identification methods:

- performance records + ratings,
- 9-box grid (performance vs. potential),
- assessments (behavioral interviews, simulations, psychometric tests),
- manager nominations + calibration panels.



Development strategies:

- targeted leadership development programs,
- stretch assignments and cross-functional rotations,
- executive coaching and mentoring,
- action learning projects tied to strategic business problems.

1.4 Building a High-Performance Workforce

Definition: A workforce producing consistently superior results through alignment of skills, motivation, and organisational systems.

Key elements:

- clear strategy and KPIs,
- role clarity and competency frameworks,
- performance management aligned with strategy,
- continuous learning & capability building,
- engagement and motivation mechanisms.

How TA contributes: TA supplies people whose competencies and values align with high-performance expectations and culture.

1.5 Importance of the Talent Development Process

Why develop talent?

- retain top performers,
- prepare successors for critical roles,
- maintain relevance of skills in changing markets,
- increase engagement and reduce turnover.



Outcomes of neglecting development: skills gaps, stalled careers, higher attrition of HiPos, weak succession bench, higher recruitment costs.

1.6 Steps in Developing Talent — Practical Process

Present as a repeatable cycle:

1. **Define critical roles & competencies** — identify strategic roles and the competencies needed (technical + behavioral).
2. **Assess current talent** — use assessments, performance data, 360° feedback to map strengths & gaps.
3. **Identify HiPos & potential successors** — apply criteria and calibration.
4. **Design individual development plans (IDPs)** — specify learning objectives, interventions, timelines.
 - interventions: formal training, e-learning, coaching, mentoring, job rotation, stretch assignments
5. **Implement interventions** — assign sponsors, resource allocation, scheduling.
6. **Monitor & measure progress** — milestone reviews, performance changes, behavioral change evidence.
7. **Evaluate impact & iterate** — ROI, business impact, tweak programs.

Tools: competency frameworks, IDP templates, LMS, performance dashboards.



2. Talent Retention

2.1 Definition & Strategic Importance

Definition: Talent retention refers to organizational strategies and practices designed to keep employees—particularly critical and high-potential employees—engaged and employed over time.

Strategic importance:

- protects investment in development,
- preserves institutional knowledge,
- stabilizes teams and customer relationships,
- reduces operational disruption and hiring costs.

2.2 SMR Model (Satisfy, Motivate, Reward) — Overview & Application

SMR Model: A simple framework to structure retention initiatives.

- **Satisfy (S)** — meet basic job and organizational needs:
 - job security,
 - respectful work conditions,
 - reasonable workload,
 - fairness and transparent policies,
 - work-life balance (flexible work, leave policies).
- **Motivate (M)** — address intrinsic drivers:
 - meaningful work and role clarity,
 - autonomy, mastery, purpose,
 - career growth opportunities,
 - recognition and sense of achievement.



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- **Reward (R)** — extrinsic incentives:
 - competitive compensation and benefits,
 - bonuses, long-term incentives,
 - non-monetary rewards (recognition, perks),
 - promotability and tangible career moves.

How to use: Use SMR as checklist when designing retention plans; ensure programs cover all three dimensions—neglecting any reduces effectiveness.

Mini case: Show two employees: one with high pay but low motivational fit (likely to leave) vs. one moderately paid with strong growth and meaningful work (likely to stay).

2.3 Employee Retention Programs — Common Strategies & Design

Program types & examples:

- **Compensation & benefits:** base pay benchmarking, bonuses, ESOPs, tuition reimbursement.
- **Career pathways:** clear promotion criteria, talent pools for leadership roles.
- **Learning & development:** role-specific training, leadership academies.
- **Recognition systems:** spot awards, service awards, manager recognition.
- **Work arrangements:** flexible hours, remote options, compressed workweeks.
- **Health & well-being:** mental health programs, wellness incentives.
- **Engagement initiatives:** pulse surveys, action plans, town halls.
- **Onboarding & socialization:** strong early experiences to improve retention in first 12 months.



Design considerations:

- segment employees (HiPo vs. general workforce),
- align programs to what particular cohorts value,
- measure program effectiveness (retention rates, engagement scores, turnover cost).

2.4 Career Planning & Development

Definitions:

- **Career planning (employee perspective):** personal process by which an employee clarifies career goals and necessary steps to achieve them.
- **Career development (organizational support):** structured organizational initiatives (training, mentoring, assignments) to enable career growth.

Integrated approach:

- conduct career conversations during performance reviews,
- map career ladders and lattices (vertical & lateral moves),
- create development paths with competencies and timelines,
- link career plans to workforce needs and succession planning.

Classroom exercise: Have students craft a 12-month career plan for a mid-level manager aiming to move to a senior role, including assignments, learning, mentors, and milestones.

2.5 Best Practices in Employee Retention

- **Segment retention strategies** by employee group (HiPo, critical skills, front-line).



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- **Use analytics** to predict flight risk and evaluate program impact.
- **Make development visible** — employees must see a real path.
- **Ensure manager capability** — managers are primary retention agents; train them on coaching and career conversations.
- **Transparent progression & fairness** — clear criteria for promotions and rewards.
- **Strategic recognition** — regular, sincere recognition aligned with values.
- **Culture & leadership commitment** — leaders must role model retention priorities.

3. Tools & Processes (linking Acquisition + Retention)

3.1 Competency Frameworks

- **Role:** foundation for hiring, assessment, performance management, development.
- **Components:** competency definitions, proficiency levels (e.g., 1–5), behavioral indicators, success criteria.
- **Use:** job descriptions, interview guides, IDPs, performance rubrics.

3.2 Assessment Tools Commonly Used

- **Psychometric tests** (cognitive ability, personality, situational judgment),
- **Behavioral/Event Interviews (BEI)** — probe past behaviors to predict future.
- **Assessment centers** — simulations, exercises, group tasks.
- **360° feedback** — multi-rater insights on competencies and behavior.
- **Work samples and job trials** — practical demonstration of skills.



- **Structured interviews and competency-based interviewing** — consistent, behaviorally anchored.

Practical note: Combine multiple tools (triangulation) to reduce bias and increase validity.

3.3 Performance Management & Appraisals

- **Link to talent:** performance management identifies high performers, training needs, and succession candidates.
- **Best practice:** continuous feedback, goal alignment (SMART/KPI), calibration meetings, development plans, and objective appraisal criteria for executives.

4. Practical Implementation — Designing a Course Module / Lecture Flow

Suggested lecture sequence (3–4 classes)

1. **Lecture 1:** TA definition, strategic role, Cappelli's critique (supply-chain approach).
2. **Lecture 2:** Identifying HiPos & building high-performance workforce (assessments, 9-box).
3. **Lecture 3:** Talent Development steps, IDPs, tools and interventions.
4. **Lecture 4:** Talent Retention: SMR model, retention programs, career planning, best practices.
5. **Seminar / Case clinic:** Review a company case (e.g., tech start-up scaling; or retail chain with turnover issues); students propose TA + retention plan.
6. **Assessment:** MCQs, short answers, and 1 essay (K6) on competency mapping (ties back to earlier topics).



5. Assessment Ideas & Class Activities

- **MCQs & short answers** on definitions and models (SMR, 9-box, competency levels).
- **Case analysis:** design TA & retention plan for a provided case company.
- **Role play:** competency-based interview panel with peer feedback.
- **Project:** create a two-year talent plan for a function (sales / IT) — include TA funnel, development actions, retention levers, budget estimate.
- **Reflection paper** on Cappelli's "just-in-time" talent approach vs. traditional long-term talent planning.

6. Key Readings & References (core + suggested)

- **Peter Cappelli**, *"Talent Management for the Twenty-First Century,"* Harvard Business Review, March 2008. — *Required reading* (discusses make vs. buy, forecasting challenges, and flexible talent supply).
- Additional recommended texts (for course handout):
 - Armstrong, M. — *A Handbook of Human Resource Management Practice* (sections on talent management).
 - Ulrich, D. et al. — *HR from the Outside In* (for strategic alignment).
 - SHRM and HBR articles on retention strategies, 360° feedback, and assessment centers.
 - Selected case studies from HBR on talent pipelines, e.g., GE leadership development, Google hiring practices (to contrast approaches).



7.Talent Development Plan (IDP) template — fields:

- Employee name / role / manager
- Career aspiration (1–3 years)
- Target competencies to develop (with level)
- Development activities (on-the-job, learning, mentoring)
- Timeline & milestones
- Success indicators / outcomes
- Review dates & owner

7.2 Retention Program Checklist (SMR aligned)

- Satisfy: role clarity, workload check, fairness audit — done?
- Motivate: development plan, stretch assignments, purpose aligned?
- Reward: pay competitiveness, recognition events, benefits audit?
- Measurement: retention KPIs defined, baseline set?



UNIT IV

Competency Mapping: Concepts and definition of competency; types of competencies, features of competency, approaches to mapping methods, Competency mapping procedures and steps, 5- level competency model, developing competency models from raw data- data recording, analysing the data, content analysis of verbal expression, validating the competency models, how competencies relate to career development and organizational goals.

1. Concept and Definition of Competency

1.1 Concept

- **Competency** refers to a cluster of related knowledge, skills, abilities, attitudes, and behaviors that enable an individual to perform a job effectively.
- Competencies go beyond technical skills — they include motives, traits, self-concepts, and social behaviors that distinguish superior performers from average ones.
- The focus is on **observable and measurable behaviors** that lead to superior performance.

Key idea:

“Competencies are the underlying characteristics of an individual which are causally related to superior performance in a job.” — *Boyatzis (1982)*



1.2 Definitions

Author / Source	Definition
McClelland (1973)	Competence refers to an underlying characteristic of a person that leads to effective or superior job performance.
Boyatzis (1982)	A capability or ability composed of motives, traits, self-concepts, knowledge, and skills that predict job performance.
Spencer & Spencer (1993)	A competency is a set of related knowledge, skills, and attitudes that enable an individual to act effectively in a situation.
Cappelli (HBR, 2008)	Competencies link individual capability with organizational strategy, ensuring the “right talent” is available when and where needed.

2. Types of Competencies

Type	Description	Examples
Core Competencies	The collective strengths that give the organization its competitive advantage.	Innovation (Google), Quality (Toyota), Service Excellence (Ritz-Carlton).
Functional/Technical Competencies	Job-specific skills or technical expertise needed for performing specific tasks.	Accounting knowledge for finance managers; programming for IT developers.



Behavioral/Generic Competencies	Personal attributes and behaviors required for effective performance across roles.	Teamwork, Communication, Problem Solving, Adaptability.
Managerial/Leadership Competencies	Capabilities related to managing people, resources, and strategy.	Visioning, Decision Making, Delegation, Strategic Thinking.
Threshold Competencies	Basic skills required for acceptable job performance (do not differentiate high performers).	Basic computer literacy, attendance, punctuality.
Differentiating Competencies	Attributes that distinguish superior from average performers.	Innovation, Emotional Intelligence, Strategic Insight.

3. Features of Competency

1. **Observable and Measurable** – expressed through behavior and performance indicators.
2. **Linked to Job Performance** – directly tied to success in a role.
3. **Comprehensive** – combines knowledge, skills, attitudes, and motives.
4. **Transferable** – can often be applied to different roles or contexts.
5. **Developable** – can be improved through training and experience.
6. **Aligned with Strategy** – should connect individual performance to organizational goals.
7. **Assessed through Behavior** – evaluated by actions, not potential alone.



4. Approaches to Competency Mapping

Approach	Description	Suitable For
Job-based approach	Identifies competencies required for a specific job or role.	Structured organizations with stable job descriptions.
Person-based approach	Focuses on individual strengths, motives, and traits rather than job titles.	Dynamic organizations emphasizing career development.
Performance-based approach	Derives competencies by studying behaviors of high performers.	Competency benchmarking and performance differentiation.
Strategic approach	Links competency mapping with long-term business strategy and future needs.	Organizations undergoing transformation or expansion.
Integrative approach	Combines job, person, and strategy-based perspectives for holistic mapping.	Mature talent management systems.

5. Competency Mapping Procedures and Steps

Step 1: Identify Purpose and Scope

- Determine why competency mapping is being undertaken: recruitment, appraisal, training, career development, etc.
- Define roles and functions to be mapped.



Step 2: Collect Job Data

- Use job descriptions, observation, interviews, and critical incident analysis.
- Identify key responsibilities and success measures.

Step 3: Identify Competencies

- Derive competencies that differentiate high performers from average ones.
- Use **Behavioral Event Interviews (BEI)**, **Focus Groups**, and **Questionnaires**.

Step 4: Develop Competency Dictionary / Framework

- Define each competency clearly with behavioral indicators and proficiency levels.
- Example:
 - **Competency:** Communication
 - **Definition:** Ability to convey ideas clearly and effectively.
 - **Indicators:** Writes clearly, listens actively, adapts communication style.

Step 5: Validate the Competency Model

- Validate through expert review, statistical methods, and pilot testing with job incumbents.
- Ensure reliability, relevance, and consistency across departments.

Step 6: Implement and Integrate

- Embed competencies into HR systems — recruitment, appraisal, training, promotion, and succession planning.



Step 7: Review and Update

- Update periodically to reflect changing organizational goals or job roles.

6. The 5-Level Competency Model

Competencies are often described across **five proficiency levels**, representing increasing complexity and capability.

Level	Description	Behavioral Example (Leadership Competency)
Level 1 – Basic Awareness	Understands the concept; performs with guidance.	Aware of team goals and supports leader decisions.
Level 2 – Working Knowledge	Applies skill in standard situations.	Manages small projects under supervision.
Level 3 – Proficient	Independently applies skill; solves moderately complex issues.	Leads a small team, motivates members.
Level 4 – Advanced	Applies skill in complex, novel situations; mentors others.	Leads multiple teams, provides coaching and strategic direction.
Level 5 – Expert / Strategic Leadership	Recognized authority; sets new standards; innovates.	Defines organizational strategy; inspires cross-functional collaboration.

Teaching tip: Show how a specific competency (e.g., communication or problem-solving) matures through these five levels.



7. Developing Competency Models from Raw Data

Competency models are built from **real performance data**, not assumptions.

Step 1: Data Recording

- Collect qualitative and quantitative data about effective job performance.
- Use interviews, BEIs, critical incidents, performance appraisals, and observation logs.
- Capture examples of both effective and ineffective behaviors.

Step 2: Data Analysis

- Identify recurring patterns of behavior that lead to success.
- Group similar behaviors into themes (e.g., initiative, collaboration, customer focus).
- Separate threshold competencies from differentiating ones.

Step 3: Content Analysis of Verbal Expressions

- Analyze transcripts from BEIs and interviews.
- Use coding techniques to extract meaningful behavior descriptors.
- Develop “behavioral indicators” (e.g., “takes ownership,” “resolves conflict constructively”).

Step 4: Model Building

- Cluster competencies into logical groups (e.g., Personal Effectiveness, Interpersonal, Cognitive, Leadership).
- Define each competency and assign behavioral examples across the 5 levels.



Step 5: Validation

- Validate with job incumbents, managers, and HR experts.
- Use:
 - **Expert validation:** SME (Subject Matter Expert) review.
 - **Empirical validation:** Correlate competency ratings with job performance outcomes.
 - **Predictive validation:** Test if competencies predict future performance.

Outcome: A validated, job-relevant, and reliable competency model.

8. How Competencies Relate to Career Development and Organizational Goals

8.1 Link to Career Development

- **Competency gaps** guide individual development plans (IDPs).
- Employees can assess their current level vs. target level for promotion or role transition.
- Enables transparent career paths — “what skills I need to grow.”
- Supports mentoring, training, and succession planning.

Example:

If a manager aspires to a leadership role, their gap in “strategic thinking” competency becomes the focus for development through mentoring or project exposure.

8.2 Link to Organizational Goals

- Competencies translate strategy into behavior.



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- Organizational strategy (e.g., innovation, customer intimacy) → required competencies (e.g., creativity, customer empathy).
- Aligning individual capabilities with strategic needs ensures **talent-strategy fit**, which Cappelli emphasizes as the essence of 21st-century talent management.

Illustration:

Strategic Goal	Required Competencies
Market expansion	Global mindset, cross-cultural collaboration
Product innovation	Creative thinking, risk-taking
Customer service excellence	Empathy, communication, responsiveness
Operational efficiency	Process discipline, analytical thinking

9. Applications of Competency Mapping in HRM

HR Function	Use of Competency Mapping
Recruitment & Selection	Design competency-based interviews and tests.
Training & Development	Identify skill gaps and design training programs.
Performance Management	Evaluate employees on behaviorally anchored indicators.
Succession Planning	Identify high-potential employees for future roles.
Career Planning	Help employees chart progression based on competency maturity.
Compensation Management	Link rewards to competency demonstration.



10. Key Advantages of Competency Mapping

1. Enhances objectivity and fairness in HR processes.
2. Provides a common language for talent discussions.
3. Supports transparent career paths and development plans.
4. Improves organizational alignment and succession readiness.
5. Increases performance consistency across teams.

11. Challenges in Competency Mapping

- Time-consuming and resource-intensive.
- Requires trained assessors and behavioral data collection.
- May face resistance from employees unfamiliar with behavioral assessment.
- Needs continuous updating to stay relevant with changing strategy.



UNIT V

Methodology of Competency Mapping: Competency models people capability maturity model, developing competency framework, competency profiling, competency mapping tools, use of psychological testing in competency mapping, competency-based interviewing, assessment of competencies through 360-degree feedback, BEI, CIT, validation of competencies.

1. Concept Overview

Competency Mapping Methodology refers to the *systematic process of identifying, assessing, developing, and validating* the competencies required for successful performance within an organization.

The methodology integrates **behavioral science techniques, psychometric tools, and performance analytics** to align **individual capabilities with organizational strategy**.

2. Competency Models

2.1 Definition

A **competency model** is a structured framework that identifies and defines the specific competencies required for success in a job, role, function, or organization.

It provides a **behavioral blueprint** for selection, performance evaluation, and employee development.

According to Boyatzis (1982): "A competency model represents a set of competencies that are most important for success in specific jobs or functions."



2.2 Purpose

- To link **individual behavior and performance** to **organizational objectives**.
- To guide HR processes — recruitment, appraisal, training, and succession planning.
- To ensure *strategic alignment* between employee capability and business goals.

2.3 Types of Competency Models

Type	Focus	Example
Core Competency Model	Competencies needed by all employees.	Teamwork, Communication, Integrity.
Functional/Technical Model	Role-specific skills and knowledge.	Data Analysis, Financial Modeling.
Leadership Model	Competencies for managerial or executive success.	Visioning, Decision-Making, Coaching.
Hybrid Model	Combines core, functional, and leadership aspects.	Common in large organizations like IBM, Infosys.

2.4 Components of a Competency Model

1. **Competency Title** – e.g., “Strategic Thinking”
2. **Definition** – A clear description of the competency.



3. **Behavioral Indicators** – Observable behaviors at varying proficiency levels.
4. **Proficiency Levels** – Graded from 1 (basic) to 5 (expert).
5. **Measurement Tools** – Surveys, interviews, assessments.

3. People Capability Maturity Model (PCMM)

Developed by the **Software Engineering Institute (SEI)** at Carnegie Mellon University, **PCMM** helps organizations systematically develop their workforce capabilities.

3.1 Definition

PCMM is a *framework that guides organizations in improving their workforce processes progressively through five maturity levels.*

3.2 Five Levels of PCMM

Level	Description	Focus Area
Level 1 – Initial	Ad hoc and inconsistent HR practices.	No structured competency management.
Level 2 – Managed	Basic workforce planning and performance management.	Job-based competencies defined.
Level 3 – Defined	Organization-wide competency framework established.	Competency development and standardization.



Level 4 – Predictable	Competencies quantitatively managed and measured.	Predict workforce performance.
Level 5 – Optimizing	Continuous improvement in capability and talent processes.	Innovation, knowledge sharing, leadership development.

3.3 Application in Competency Mapping

- Provides structure for developing **competency-based HR systems**.
- Guides maturity of competency practices from reactive to strategic.
- Used by firms like **Infosys, Wipro, and IBM** to benchmark talent processes.

4. Developing a Competency Framework

A **competency framework** is the practical outcome of competency mapping — it outlines the key competencies, definitions, and expected behaviors for each role.

4.1 Steps in Developing a Competency Framework

1. Define the Purpose and Scope

- Identify organizational objectives for competency mapping (e.g., performance improvement, succession planning).

2. Collect Data

- Gather role-related data using interviews, job analysis, BEI, or questionnaires.



3. Identify Competencies

- Group data into clusters (e.g., leadership, functional, behavioral).

4. Develop Behavioral Indicators

- Specify what each competency “looks like” in practice.

5. Design Proficiency Levels

- Create scales (1–5) to describe increasing complexity or skill.

6. Validate the Framework

- Test relevance through feedback and pilot assessments.

7. Integrate into HR Systems

- Embed in selection, training, and career development programs.

5. Competency Profiling

Definition:

Competency profiling is the process of defining the specific **competencies required for a particular role** or group of roles within an organization.

It is a **role-specific subset** of the broader competency framework.

Steps in Competency Profiling

1. Identify **job objectives** and **critical responsibilities**.
2. Determine **behaviors that differentiate** high and average performers.
3. Map competencies to **job families** (e.g., sales, R&D, HR).
4. Develop a **competency dictionary** (title, definition, indicators).
5. Validate with **job experts and incumbents**.

Example:

For a Sales Manager:



- Competencies: Customer Orientation, Negotiation Skills, Result Orientation, Communication.

6. Competency Mapping Tools

Competency mapping uses both **qualitative** and **quantitative tools** for data collection and analysis.

Tool	Purpose	Example
Behavioral Event Interview (BEI)	Identify success-related behaviors from real experiences.	STAR method interviews.
Critical Incident Technique (CIT)	Collect examples of effective and ineffective performance.	"Describe a time when you handled a difficult client."
360° Feedback	Gather multi-source ratings on competencies.	Feedback from peers, subordinates, supervisors.
Psychometric Tests	Assess personality traits, cognitive ability, and motivation.	MBTI, Big Five, Hogan, SHL tests.
Assessment Centers	Simulate job situations to assess multiple competencies.	Role plays, case studies, group discussions.
Competency Questionnaires	Self or supervisor ratings on defined behaviors.	Likert scale-based competency assessments.



7. Use of Psychological Testing in Competency Mapping

7.1 Purpose

Psychological tests measure **underlying traits** and **aptitudes** that are not directly observable but influence competency-based behavior.

They add **objectivity** and **predictive validity** to the mapping process.

7.2 Common Psychological Tests Used

Type of Test	Purpose	Examples
Personality Tests	Identify traits influencing work behavior.	MBTI, 16PF, NEO-PI-R.
Aptitude Tests	Assess logical, verbal, numerical abilities.	Watson-Glaser, SHL General Ability.
Motivation Inventories	Understand drives and values.	Thematic Apperception Test (TAT), FIRO-B.
Emotional Intelligence Tests	Assess interpersonal and intrapersonal awareness.	MSCEIT, EQ-i.

Application Example:

- In leadership development programs, EI tests are used to identify leaders with high emotional regulation and empathy competencies.



8. Competency-Based Interviewing

8.1 Definition

A **competency-based interview (CBI)** is a structured interview technique designed to assess candidates' behavioral competencies through real-life examples.

8.2 Structure

- Uses the **STAR** framework:
 - **S** – Situation
 - **T** – Task
 - **A** – Action
 - **R** – Result

8.3 Example

Question: “Describe a time when you had to handle conflict within your team.”

Assessed Competency: Conflict Management, Communication.

Evaluator looks for:

- Evidence of initiative, empathy, and problem-solving behavior.

9. Assessment of Competencies Through 360-Degree Feedback

9.1 Concept

360-degree feedback collects performance and behavioral feedback from multiple sources:



- **Superiors, peers, subordinates, customers, and self-assessment.**

9.2 Application in Competency Assessment

- Provides a *holistic picture* of employee performance.
- Useful for **leadership development** and **succession planning**.
- Identifies **perceptual gaps** between self and others' evaluations.

Example: Used by organizations like GE and Infosys for leadership assessments.

9.3 Advantages

- Encourages self-awareness and continuous learning.
- Enhances credibility through multiple perspectives.
- Promotes open communication and development culture.

10. Behavioral Event Interview (BEI)

10.1 Definition

BEI is a **structured, open-ended interview technique** developed by David McClelland (1973) to uncover competencies that drive superior performance.

10.2 Steps in BEI

1. Ask candidates to describe specific **past events** (successes/failures).
2. Probe **what they did, thought, and felt** during each event.
3. Identify **behavioral patterns** and categorize them into competencies.



Example:

“Tell me about a time when you had to meet a tight deadline under pressure.
What steps did you take?”

10.3 Strengths

- Evidence-based, minimizes interviewer bias.
- Reveals deep behavioural motives and traits.

11. Critical Incident Technique (CIT)

11.1 Definition

Developed by Flanagan (1954), **CIT** is a method for collecting and analysing specific incidents of effective or ineffective behaviour in job performance.

11.2 Steps

1. Collect *critical incidents* from supervisors or jobholders.
2. Categorize incidents into behavioural clusters.
3. Derive competencies from recurring patterns.

Example:

A supervisor reports: “Employee X successfully handled a system outage by delegating tasks efficiently.”

→ Competency: **Decision-Making under Pressure**

12. Validation of Competencies

Validation ensures that the identified competencies are **reliable, measurable, and job-relevant**.



12.1 Validation Methods

Method	Description
Expert Validation	Review by subject matter experts for relevance and clarity.
Criterion-Related Validation	Correlate competency ratings with job performance data.
Construct Validation	Use psychometric analysis to confirm that items measure intended traits.
Predictive Validation	Assess whether competencies predict future performance or success.
Concurrent Validation	Compare competency profiles of high vs. average performers.

12.2 Criteria for a Valid Competency Model

- Based on **observable behaviour**.
- Demonstrates **consistency** across raters and contexts.
- Aligns with **organizational strategy and culture**.
- Can be **replicated and updated**.

13. Integration into Talent Management

Validated competencies are embedded into:

- **Recruitment systems** (competency-based selection).
- **Training programs** (competency gap training).
- **Performance appraisals** (behavioural assessment).
- **Career planning** (competency ladders).
- **Succession planning** (leadership pipeline models).



14.Summary

Key Concept	Essence
Competency Models	Define what superior performance looks like.
PCMM	Provides maturity levels for developing people capabilities.
Competency Framework	Maps core, functional, and behavioural competencies.
Profiling & Tools	Identify and assess competencies systematically.
Psychological Tests & 360° Feedback	Add objectivity and depth.
BEI & CIT	Elicit behavioural evidence of competencies.
Validation	Ensures reliability and strategic fit.



1. Talent Management

Definition:

Talent Management is a strategic process of attracting, developing, motivating, and retaining high-performing employees to achieve long-term organizational success.

Explanation:

It involves integrating HR functions — recruitment, training, performance management, and succession planning — to ensure the right people are in the right roles at the right time.

Key Focus:

- Talent identification and acquisition
- Development and engagement
- Retention and succession

Objective:

To build a sustainable competitive advantage through people capability.

2. Appraising Executive Talent

Definition:

Appraising executive talent means systematically evaluating the performance and potential of managerial or leadership-level employees.



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Purpose:

To identify leadership strengths, succession readiness, and areas for development.

Methods:

- Management by Objectives (MBO)
- 360-degree feedback
- Assessment centers
- Behavioural assessments

Outcome:

Informed decisions on promotion, career planning, and leadership development.

3. Performance Reviews

Definition:

Performance reviews are structured evaluations of an employee's job performance against predefined goals and competencies.

Process:

1. Setting clear objectives
2. Measuring results and behaviours
3. Providing constructive feedback
4. Creating development plans



Benefits:

- Enhances communication between employee and manager
- Identifies training and development needs
- Supports performance-based rewards

Modern Practice:

Many firms use **continuous performance reviews** rather than annual appraisals to encourage ongoing feedback.

4. Talent Development Budget

Definition:

The Talent Development Budget is the allocation of organizational resources (financial, human, and technological) toward training and employee growth initiatives.

Components:

- Learning and development programs
- Leadership and coaching interventions
- Digital learning tools (LMS)
- Succession planning and career support

Purpose:

To ensure strategic investment in workforce capability and return on learning (ROL).

Example:

Companies like Google allocate a fixed percentage of payroll cost to employee development annually.



5. Talent Acquisition

Definition:

Talent Acquisition refers to the process of identifying, attracting, and hiring skilled individuals to meet current and future organizational needs.

Key Elements:

- Workforce planning
- Employer branding
- Recruitment and selection
- Onboarding

Objective:

To build a high-performance workforce aligned with business strategy.

Difference from Recruitment:

Recruitment fills immediate vacancies; talent acquisition builds long-term talent pipelines.

6. Talent Retention

Definition:

Talent Retention involves strategies and practices aimed at keeping high-performing employees engaged and committed to the organization.

Key Approaches:

- SMR Model – *Satisfy, Motivate, Reward*
- Career growth opportunities
- Recognition and work-life balance



- Competitive compensation

Objective:

To minimize turnover and preserve organizational knowledge and capability.

7. Competency Mapping**Definition:**

Competency Mapping is the process of identifying and defining the specific competencies (knowledge, skills, attitudes, and behaviors) required for effective job performance.

Steps:

1. Role analysis
2. Identifying key behaviors
3. Developing a competency framework
4. Validation and application

Purpose:

To align individual capabilities with organizational goals and ensure consistent performance standards.

Applications:

Used in recruitment, training, appraisal, and career planning systems.

8. Career Development**Definition:**

Career Development is a continuous process by which individuals plan and manage their professional growth aligned with organizational opportunities.



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Key Components:

- Self-assessment
- Career counseling and mentoring
- Training and skill enhancement
- Succession and promotion planning

Objective:

To help employees realize their potential while meeting organizational talent needs.

Outcome:

Higher engagement, retention, and leadership pipeline readiness.

9. Content Analysis

Definition:

Content Analysis is a qualitative research technique used to analyze written or verbal data to identify patterns, themes, or competencies.

Use in Competency Mapping:

- Applied to transcripts from interviews or Behavioral Event Interviews (BEI).
- Helps extract recurring behavior indicators that define key competencies.

Steps:

1. Data coding
2. Categorizing themes
3. Frequency and pattern analysis

**Example:**

If multiple high performers mention “collaboration” in success stories, it’s identified as a core competency.

10. Talent Development Process**Definition:**

Talent Development is the systematic process of enhancing employees’ skills, competencies, and potential to meet current and future organizational demands.

Stages:

1. Identifying development needs
2. Designing learning programs
3. Implementing development activities
4. Evaluating outcomes

Tools:

Training programs, mentoring, coaching, e-learning, and leadership development initiatives.

Goal:

To build a high-potential, future-ready workforce.

11. 360-Degree Feedback**Definition:**

360-degree feedback is a multi-source assessment technique where an employee receives performance feedback from supervisors, peers, subordinates, and self-evaluation.



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Purpose:

To provide a comprehensive view of performance and behavioral competencies.

Applications:

- Leadership development
- Performance appraisal
- Self-awareness and coaching

Advantages:

- Encourages honest feedback
- Highlights blind spots and development areas
- Promotes continuous learning culture

Example:

Organizations like IBM and GE use 360-feedback for leadership growth and competency assessment.

12. Behavioural Event Interviewing

Definition:

Behavioural Event Interviewing (BEI) is a structured interview method used to uncover competencies by analysing real-life examples of past behaviour.

Developed by: David McClelland (1973).

Process:

1. Ask candidates to describe specific success or failure incidents.
2. Probe details on actions, thoughts, and outcomes (using STAR method).
3. Identify behavioural patterns linked to performance.



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Purpose:

To assess deep-seated traits and motives predicting job success.

Example:

“Describe a time when you influenced a team under pressure.”

→ Assesses leadership, decision-making, and emotional control competencies.

Topic	Focus Area	Key Outcome
Talent Management	Strategic alignment of people and performance	Competitive advantage
Appraising Executive Talent	Evaluation of managerial capability	Leadership pipeline
Performance Reviews	Continuous performance improvement	Development & feedback
Talent Development Budget	Investment in human capital	ROI on learning
Talent Acquisition	Building a talent pipeline	Workforce quality
Talent Retention	Keeping key employees	Lower turnover
Competency Mapping	Linking behaviour to performance	Objective HR systems
Career Development	Employee growth and progression	Motivation & retention
Content Analysis	Behavioural data interpretation	Competency identification
Talent Development Process	Systematic learning framework	Future-ready workforce
360-Degree Feedback	Multi-source evaluation	Leadership development
BEI	Behavioural evidence gathering	Competency assessment



13. Explain the Objectives & Role of Talent Management

Meaning:

Talent Management refers to a comprehensive strategy to attract, develop, motivate, and retain employees who are valuable for the organization's success. It integrates various HR functions to create a sustainable and high-performing workforce.

Objectives of Talent Management:

1. Attracting the Right Talent:

Identify and recruit individuals with the right skills, cultural fit, and potential to drive organizational performance.

2. Developing Employee Potential:

Enhance employee capabilities through structured learning, mentoring, and leadership development programs.

3. Retention of High Performers:

Implement reward and recognition systems, career development paths, and work-life balance initiatives to retain top talent.

4. Succession Planning:

Prepare future leaders by identifying and developing successors for key positions.

5. Aligning Individual and Organizational Goals:

Ensure that employee efforts support the strategic objectives of the organization.

6. Building an Employer Brand:

Promote the organization as a preferred workplace to attract quality talent.



Role of Talent Management:

Role	Explanation
Strategic Enabler	Aligns people strategy with business goals.
Capability Builder	Ensures employees possess the right competencies.
Performance Enhancer	Boosts productivity through engagement and motivation.
Change Catalyst	Develops agile employees who adapt to change.
Retention Mechanism	Creates programs to reduce turnover.

Example:

Companies like **Infosys and Unilever** use integrated talent management systems combining recruitment, performance, and learning data to identify leadership potential early and nurture it systematically.

14. Describe the Succession Management Process

Meaning:

Succession Management is the systematic process of identifying and developing potential leaders to fill key positions when they become vacant. It ensures leadership continuity and organizational stability.

Steps in the Succession Management Process:

1. Identify Key Positions:

Focus on roles critical to business continuity (e.g., senior executives, project heads).



2. Define Role Requirements:

Specify competencies, skills, and experience required for each key role.

3. Identify Successors:

Use performance data, potential assessments, and talent reviews to shortlist internal candidates.

4. Assess Development Needs:

Conduct competency gap analysis to understand where successors need improvement.

5. Develop Successors:

Provide mentoring, leadership training, stretch assignments, and job rotations.

6. Implement Succession Plan:

Formally communicate the plan and integrate it with the organization's talent management strategy.

7. Monitor and Review:

Continuously evaluate progress and update succession pipelines as business needs evolve.

Benefits:

- Ensures business continuity
- Minimizes leadership vacuum
- Enhances employee motivation and loyalty
- Reduces external hiring costs



Example:

General Electric (GE) is known for its strong succession management process where future leaders are identified early and given challenging cross-functional roles.

15. Analyse the Importance of Talent Development Process

Meaning:

Talent Development is the process of improving employee capabilities to meet current and future organizational requirements through planned learning and career growth initiatives.

Importance:

1. Bridging Skill Gaps:

Training programs address changing technological and business skill needs.

2. Enhancing Performance:

Well-developed employees contribute higher productivity and innovation.

3. Building Leadership Pipeline:

Structured talent development creates ready successors for future leadership roles.

4. Improving Retention:

Employees are more likely to stay with organizations that invest in their growth.

5. Supporting Organizational Strategy:

Development initiatives align workforce competencies with strategic goals.



6. **Fostering Engagement:**

Continuous learning boosts employee morale and motivation.

Strategic Link:

According to **Peter Cappelli (HBR, 2008)**, modern talent development emphasizes internal mobility and on-demand learning rather than rigid career ladders, aligning learning with business agility.

Example:

IBM's "Your Learning Platform" provides personalized, AI-driven learning experiences that develop skills aligned with strategic business priorities.

16. Discuss Satisfy, Motivate and Reward (SMR) Model

Meaning:

The **SMR Model** (Satisfy–Motivate–Reward) is a framework used in **Talent Retention** that emphasizes three interconnected strategies to keep employees engaged and committed.

Components of SMR Model:

1. **Satisfy:**

- Ensure employees' basic needs are met (fair pay, job security, safe work conditions).
- Provide meaningful work and clarity of expectations.
- Example: Providing flexible work arrangements for better work-life balance.



2. **Motivate:**

- Inspire employees through recognition, empowerment, and challenging work.
- Link individual contributions to organizational success.
- Example: Offering leadership opportunities for high performers.

3. **Reward:**

- Offer monetary and non-monetary rewards for performance and loyalty.
- Includes bonuses, promotions, and career growth opportunities.
- Example: Implementing performance-linked incentives.

Outcome:

When all three elements work together:

- Employees feel valued and engaged
- Turnover decreases
- Productivity and innovation increase

Example:

Google successfully applies SMR principles through perks (satisfaction), innovation culture (motivation), and performance bonuses (rewards).



17. Examine How Competencies Relate to Career Development and Organizational Goals

Relationship Overview:

Competencies act as the **bridge** between individual career growth and organizational success. They define the knowledge, skills, and behaviours required for effective performance.

1. Link with Career Development:

- **Career Pathing:** Competencies guide employees in understanding what skills are required for promotion.
- **Skill Gap Identification:** Helps employees identify and work on weaknesses.
- **Learning and Development:** Training programs are aligned with competency requirements.
- **Performance Feedback:** Competency-based reviews highlight career development needs.

2. Link with Organizational Goals:

- **Strategic Alignment:** Ensures workforce skills match business priorities.
- **Consistency in Performance:** Establishes behavioural standards across roles.
- **Talent Mobility:** Facilitates succession and internal movement through standardized competency frameworks.
- **Culture Building:** Encourages shared values and performance mindsets.



Example:

A **“Customer Orientation” competency** directly supports a company’s goal of superior service, while developing this competency prepares employees for higher client-facing roles.

Conclusion:

Competencies thus provide a **common language** connecting individual growth with strategic business performance.

18. Explain People Capability Maturity Model (PCMM)

Meaning:

The **People Capability Maturity Model (PCMM)** is a framework developed by **SEI (Software Engineering Institute, Carnegie Mellon University)** to improve workforce capability systematically.

It helps organizations move from ad hoc people management to a mature, optimized state.

Five Levels of PCMM:

Level	Description	Focus Area
Level 1: Initial	People management is inconsistent and reactive.	Individual heroics
Level 2: Managed	Basic HR policies established.	Staffing, performance, compensation
Level 3: Defined	Competency-based practices implemented.	Workforce capability and development



Level 4: Predictable	Quantitative performance measures in place.	Workforce performance analysis
Level 5: Optimizing	Continuous improvement culture established.	Innovation and knowledge sharing

Benefits:

- Standardizes workforce processes
- Enhances capability maturity and predictability
- Integrates people development with business improvement
- Supports strategic HR transformation

Example:

Infosys adopted PCMM to standardize HR practices globally, resulting in improved employee satisfaction and productivity.

19. Prepare the Validation of Competencies

Meaning:

Validation of competencies ensures that identified competencies are **accurate, measurable, job-relevant, and predictive of performance.**

Steps in Competency Validation:

1. Expert Review:

Subject matter experts evaluate whether defined competencies reflect actual job requirements.



2. **Behavioural Event Interviews (BEI):**

Collect real-life examples from high performers to confirm observable behaviours.

3. **Statistical Validation:**

Use correlation and regression analysis to verify whether competencies predict performance outcomes.

4. **Pilot Testing:**

Apply the competency framework to a sample group and analyse feedback for relevance and clarity.

5. **Feedback and Refinement:**

Modify the model based on inputs from employees, supervisors, and HR professionals.

6. **Final Documentation:**

Standardize the validated competencies and communicate across the organization.

Importance:

- Ensures reliability and fairness in performance appraisal
- Supports evidence-based HR decisions
- Enhances acceptance of competency models among employees

Example:

Before rolling out a **Leadership Competency Framework**, **Tata Consultancy Services (TCS)** validated it through BEI and manager feedback to ensure accuracy and organizational fit.



Topic	Key Focus	Outcome
Objectives & Role of Talent Management	Strategic integration of HR and business goals	Improved workforce performance
Succession Management Process	Leadership continuity and readiness	Business stability
Talent Development Process	Building employee capabilities	Future-ready workforce
SMR Model	Satisfy, Motivate, Reward	Employee retention
Competencies & Career Development	Link between skills and growth	Strategic alignment
People Capability Maturity Model	HR process standardization	Capability optimization
Validation of Competencies	Accuracy and relevance of competencies	Reliable HR systems

20. Competency mapping aligns individual capabilities with organizational goals. Critically evaluate this statement by explaining the methodology of competency mapping and its role in developing a competency-based HR system.

Introduction

Competency mapping is a systematic process used to identify, assess, and develop the skills, knowledge, and behaviours required to perform effectively in a role. It bridges the gap between **individual potential** and **organizational strategy**.



Critical Evaluation

1. Alignment with Organizational Goals:

- Competency mapping ensures employees' skills directly contribute to achieving business objectives.
- For example, if innovation is a strategic goal, creativity and problem-solving are mapped as core competencies.

2. Integration of HR Functions:

- Once competencies are defined, they guide recruitment, performance management, training, and succession planning.
- It creates consistency across HR processes.

3. Enhancing Employee Development:

- Individuals can identify their competency gaps and align personal development with career goals.

4. Building a Competency-Based HR System:

- HR decisions (selection, training, promotion) become more evidence-based and less subjective.
- Results in improved fairness, productivity, and accountability.

Methodology of Competency Mapping

1. Role Analysis:

Identify key job roles and their contribution to organizational strategy.

2. Data Collection:

Use interviews, observations, and critical incident techniques (CIT) to identify success behaviours.

3. Developing Competency Framework:

Group identified competencies into categories such as core, functional, and leadership competencies.



4. **Competency Profiling:**

Define behaviour indicators for each competency (e.g., "Teamwork" → collaborates, shares knowledge, supports peers).

5. **Assessment:**

Evaluate individuals using tools like 360-degree feedback, assessment centers, and psychological tests.

6. **Validation:**

Ensure competencies identified are job-relevant and measurable.

Role in Competency-Based HR System

HR Function	Use of Competency Mapping
Recruitment	Match candidate competencies with job requirements.
Training & Development	Identify gaps for targeted skill enhancement.
Performance Appraisal	Evaluate behavioural and technical competencies.
Career Planning	Map progression paths based on competency mastery.
Succession Planning	Identify high-potential employees for key roles.

Conclusion

Competency mapping transforms HR into a **strategic partner** by aligning talent capabilities with organizational needs. It ensures a **competency-driven culture**, fostering both employee growth and business success.



21. Discuss the key processes of talent management within an organization.

Introduction

Talent Management is the systematic process of identifying, attracting, developing, and retaining high-performing employees who contribute to long-term organizational success.

Key Processes of Talent Management

1. Workforce Planning:

Identify current and future talent needs aligned with business strategy.

2. Talent Acquisition:

Recruit and select individuals with the required skills and cultural fit.

3. Onboarding and Integration:

Help new employees adapt to organizational culture and expectations.

4. Performance Management:

Set goals, monitor progress, and provide continuous feedback for performance improvement.

5. Learning and Development:

Enhance employees' skills through training, mentoring, and development programs.

6. Succession Planning:

Prepare a pipeline of leaders for key positions to ensure business continuity.

7. Employee Engagement:

Foster motivation, recognition, and communication to retain top performers.



8. **Compensation and Rewards:**

Offer fair and performance-linked compensation structures to maintain motivation.

9. **Talent Retention:**

Implement strategies to reduce attrition through career growth and work-life balance.

Example:

At **Infosys**, the talent management process integrates competency mapping, 360-degree appraisals, and continuous learning through its “Lex” platform to ensure development and retention.

Conclusion

Effective talent management ensures that the **right people** are in the **right roles**, creating a sustainable **competitive advantage** through human capital excellence.

22. Explain how succession planning can be integrated to ensure effective talent management within an organization.

Introduction

Succession planning involves identifying and developing employees to fill key leadership roles in the future. When integrated with talent management, it ensures leadership continuity and strengthens the organization’s internal talent pipeline.



Integration of Succession Planning with Talent Management

1. **Talent Identification:**

Use performance appraisals and competency mapping to identify high-potential employees.

2. **Development Programs:**

Incorporate mentoring, leadership workshops, and job rotations to prepare successors.

3. **Career Planning:**

Align succession paths with individual career aspirations.

4. **Performance Evaluation:**

Use ongoing feedback and assessment centers to evaluate readiness for leadership roles.

5. **Knowledge Transfer:**

Create systems for sharing critical institutional knowledge from current leaders to potential successors.

6. **Retention Strategy:**

Communicate growth opportunities to retain high-potential talent.

Example:

GE's Leadership Development Program integrates succession planning into its talent management system by grooming future leaders through rotational assignments and continuous assessment.



Conclusion

Integrating succession planning ensures that leadership gaps are minimized, internal talent is developed strategically, and the organization remains resilient in a dynamic business environment.

23. Prepare the key steps involved in developing and retaining talent within an organization.

Introduction

Developing and retaining talent ensures long-term organizational growth by continuously enhancing employee skills and maintaining engagement.

Steps in Developing Talent

1. Identify Talent Needs:

Define skills and competencies required for current and future business challenges.

2. Assess Employee Potential:

Use psychometric tests, 360-degree feedback, and appraisals to gauge potential.

3. Design Development Programs:

Provide technical and leadership training, mentoring, and e-learning opportunities.

4. Create Individual Development Plans (IDPs):

Set personalized learning goals aligned with career aspirations.

5. Encourage Cross-Functional Exposure:

Enable job rotations and project-based learning to broaden experience.



Steps in Retaining Talent

1. **Ensure Job Satisfaction:**

Provide meaningful work, recognition, and autonomy.

2. **Motivate and Reward (SMR Model):**

Satisfy needs, motivate performance, and reward achievements.

3. **Career Development:**

Offer visible career progression and opportunities for growth.

4. **Positive Work Culture:**

Build an inclusive, collaborative, and respectful workplace.

5. **Work-Life Balance:**

Flexible schedules and wellness initiatives enhance retention.

Example:

Google's "Career Guru" Program combines personalized development with strong recognition systems to retain high performers.

Conclusion

Developing and retaining talent is a **strategic necessity**, ensuring that skilled, motivated, and loyal employees drive organizational success.

24. Examine the Five-Level Competency Model and explain how it is used to assess and develop employee capabilities within an organization.

Introduction

The **Five-Level Competency Model** provides a structured framework for measuring employee proficiency across increasing levels of expertise. It helps in assessing current performance and planning targeted development.



The Five Levels of Competency

Level	Description	Employee Capability
1. Novice	Basic awareness and limited practical experience.	Requires close supervision.
2. Advanced Beginner	Understands concepts and can apply with guidance.	Performs simple tasks independently.
3. Competent	Demonstrates full understanding and can perform consistently.	Manages routine tasks effectively.
4. Proficient	Anticipates outcomes, solves complex problems.	Guides others and improves processes.
5. Expert	Demonstrates mastery and thought leadership.	Innovates and mentors' others.

Use in Assessing and Developing Capabilities

1. Assessment:

- Evaluate employees' current competency levels through observation, 360-degree feedback, and self-assessment tools.
- Identify gaps between current and desired levels.

2. Development:

- Design customized learning plans to move employees from one level to the next.
- For instance, a "Competent" employee can be developed to "Proficient" through leadership projects and mentoring.

3. Performance Management:



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- Link performance ratings and rewards with competency levels achieved.

4. **Succession Planning:**

- Use the model to identify employees ready for higher-level responsibilities.

Example:

IBM uses a five-level model for technical competencies where employees progress from “Entry” to “Expert,” with defined learning milestones at each stage.

Conclusion

The Five-Level Competency Model provides a **clear roadmap for continuous learning and growth**, ensuring alignment between individual capabilities and organizational objectives.