



WINNING TODAY'S TALENT RACE

HOW TO IDENTIFY, DEVELOP, AND RETAIN TALENT BETTER THAN YOUR RIVALS

AUTHOR

By Ajoy Mukerjee

Global Head and Vice President, Human Resources,
Tata Consultancy Services

The competitive digital business landscape is forcing organizations to become better at recognizing the workforce skills they will need, well before they need them. When companies become reactive in filling key jobs, they have a hard time securing critical talent at the moment of need. The result is they lose out on key hires to companies that have articulated their talent requirements.

However, to keep good people and identify the new crop that companies will need, HR executives will have to let go of many traditional hiring and retention practices—methods established at a time when detailed, up-to-date information on employee value, attitudes and company job needs were either missing or locked up in file cabinets stuffed with paper records.

How can big companies better anticipate the next wave of skills they will need, and retain their rising stars, amidst intense competition for the best people? In this article, I will explain methods that TCS—with more than 350,000 employees around the world today, nearly six times the number of 10 years ago, and other companies have used to retain the best people, as well as hire new ones before there is a run on them.

My advice is that many companies need to rethink traditional ideas about recruiting and hiring, stress the business value of internal training, and make the HR organization more agile. HR executives, in particular, have an unprecedented opportunity to help business unit managers solve two of their biggest talent challenges: retaining their most valuable employees and determining what new skills they will soon need before competitors do.

THE TALENT CRUNCH

Across industries and around the world, big companies have truly been in a war for talent since the great recession began to recede about seven years ago. A key reason for the acute talent shortages in certain domains, in addition to the rebounding world economy, is that digital technologies have been redefining jobs in every business function.

Let us consider the marketing function. Five years ago, many companies did not have marketers heading areas such as social media, search engine optimization, mobile applications, marketing analytics, and online customer communities. Today, those positions are commonplace and often go begging for talent. Ann Lewnes, chief marketing officer at \$4.8 billion³¹ marketing software firm Adobe Systems Inc., put it this way: “The rise of new digital technologies has caused upheaval for many industries, and the marketing profession has been in the eye of that storm, too.” Adobe’s 2015 survey of more than 6,000 marketers

³¹ Adobe 10K 2015 financial statement, p. 60, accessed Aug. 2, 2016, <https://www.images2.adobe.com/content/dam/Adobe/en/investor-relations/PDFs/ADBE-10K-FY15-FINAL-CERTIFIED.PDF>

and e-commerce professionals across industries, and around the world found they have seen more changes in marketing in the last two years than in the last 50 years.³² In addition, of the 25 hottest skills of 2015, LinkedIn found four of the top ten were related to marketing: marketing campaign management, SEO, mobile development, and user interface design.³³

Digital technologies have also created acute skills shortages in the IT function. There has been a run on talent in such hot technology domains as artificial intelligence, Internet of Things, and big data and analytics. The market for a key digital business role—analytics and big data—remains particularly hot, as evidenced by a high number of candidates switching jobs. In 2015, 20% of analytics professionals and data scientists switched jobs.³⁴ Overall, 32% of U.S. employers and 38% of global employers had difficulties filling job vacancies due to talent shortages.³⁵

Many conventional HR tactics and tools were not designed for the pace of digital business. Today's workforce predictive analytics software can help companies cope to an extent. Companies are using it to predict what skills they will need. They can be proactive in talent acquisition and development to plan the basics of recruiting, training, and infrastructure development.

³² *Fortune*, These are the most in-demand jobs now (and 'hacker' is one of them), March 10, 2015, accessed August 1, 2016, <http://fortune.com/2015/03/10/hottest-jobs/>

³³ LinkedIn corporate blog post, The 25 Skills That Can Get You Hired in 2016, January 12, 2016, accessed August 2, 2016, <https://blog.linkedin.com/2016/01/12/the-25-skills-that-can-get-you-hired-in-2016>

³⁴ Burtch Works blog post, Analytics Hiring Market Vibrant, Many Changing Jobs, Short Tenure, February 2, 2015, accessed July 17, 2016, <http://www.burtchworks.com/2016/03/14/analytics-hiring-market-vibrant/>

³⁵ Manpower Group press release, Tenth year of survey reveals 1 in 3 U.S. employers experiencing difficulty filling positions, skilled trades remains the hardest to fill for six consecutive years, May 18, 2015, accessed July 16, 2016, <http://www.manpowergroup.com/wps/wcm/connect/manpowergroup-en/home/newsroom/news-releases/manpowergroup+annual+talent+shortage+survey+reveals+u.s.+employers+suffer+largest+talent+shortage+in+skilled+trades#.V36VZXgrfdl>

Accurate forecasting, based on predicted attrition rates and business growth forecasts for departments, helps a company prepare for growth and predict future talent needs. But using this software is table stakes, not a competitive differentiator.

So how do large organizations hold onto their best people? How do they identify new skills they will need just over the horizon? The HR practices of one of America's biggest banks, Wells Fargo, are instructive.

HOW WELLS FARGO GOES BEYOND TRADITIONAL HR TACTICS AND TOOLS

Some companies are thinking more critically and creatively about how to apply these tools. Take Wells Fargo & Co., America's third largest bank.³⁶ While the bank uses analytics to assess the impact of employee turnover, but it focuses on the quality of turnover—that is, who exactly is leaving the organization.³⁷ “Because all employees are different, we cannot count their turnover the same,” said Kathy Doan, vice president of community banking HR insights and analytics, whose team advises senior HR leaders at a unit of Wells Fargo that has more than 100,000 employees.³⁸ “If you think about it, what will hurt a baseball club more: losing a Cy Young award winning pitcher or losing a designated hitter? We have business leaders interested in applying this quality of turnover concept to identify areas that have high attrition risk.”

³⁶ *The Wall Street Journal*, Wells Fargo became the third largest bank as measured by assets in 2015, January 15, 2016, accessed August 1, 2016, <http://www.wsj.com/articles/wells-fargo-surpasses-citigroup-1452910753>

³⁷ *Predictive Analytics Times*, Wise Practitioner – Predictive Workforce Analytics Interview Series: Kathy Doan at Wells Fargo Bank, November 30, 2015, accessed August 1, 2016, <http://www.predictiveanalyticsworld.com/patimes/wise-practitioner-workforce-predictive-analytics-interview-series-kathy-doan-at-wells-fargo-bank11302015/6858/>

³⁸ *DataInformed*, From Information to Insight: Human Capital Analysis for HR, February 11, 2015, accessed August 1, 2016, <http://data-informed.com/from-information-to-insight-human-capital-analysis-hr/>

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Doan advises HR executives to use predictive modeling to assess which of their company's valued employees are ready to leave. That, in turn, requires using a range of data—for example, how long they have been in their jobs, their satisfaction score on the company engagement survey, and their job performance. As she wrote, "Would it not be great if you knew that an employee who has been in his or her job for six months has an overall satisfaction score of 3.25 on the engagement survey, and is meeting 80% of their productivity goals has a 75% chance of leaving the company?"³⁹ Wells Fargo is also exploring the use of text mining of social media to predict when an employee may leave the company.

Despite the turbulence in the banking industry, Wells Fargo was the 10th most valuable American company by market value, and the most valuable bank, at the end of 2015.⁴⁰ Clearly, it is succeeding in the digital era. In companies like Wells Fargo, HR has become an invaluable adviser to senior management about talent, especially about who is likely to leave but who must be retained, and the new skills the organization will require next. That requires supplying the necessary data, tools, and executive support.

³⁹ *DataInformed*, *From Information to Insight: Human Capital Analysis for HR*, February 11, 2015, accessed August 1, 2016, <http://data-informed.com/from-information-to-insight-human-capital-analysis-hr/>

⁴⁰ Wells Fargo 2015 annual report, p. 4, accessed August 2, 2016, <https://www08.wellsfargomedia.com/assets/pdf/about/investor-relations/annual-reports/2015-annual-report.pdf>

TALENT APPROACHES THAT WORK

So how can your company get there? Here are several key strategies for winning the talent race.



Developing Your Employees

The best companies we have seen at retaining talent and discerning upcoming skill needs stress internal development and cross-training. The reason is simple: they can kill two birds with one stone. By training the people who already work for them, these companies are more likely to retain valuable employees who are looking for new learning opportunities.

At the same time, they begin the search for people with new key skills internally rather than externally. In other words, these companies check first to see if they can 'groom their own'. Developing new skills in employees is a key employee retention tool. Rotate people from project-to-project, to experience new technologies, vertical industries, and cultural environments. Such an approach develops people in a holistic manner for a digital business. This requires good communication between leaders and their teams in order to understand individual goals and career options.

Exactly how do HR leaders make internal skills development effective? Companies continue to need the traditional classroom style programs. However, more and more, they need to train people through online learning tools. They allow employees to learn around the clock from wherever they are, to address specific knowledge gaps, or emerging technology skills.

Experience is just as important; people need to practice what they have learned. If they will not immediately be deployed to use the knowledge, create an internal project where they can practice the new material. Also, develop partner alliances wherein you can feed talent through the partner's pipeline to practice new skills.



Screening People for Their Ability to Continually Learn and Other Soft Skills

If the efforts described above sound like a big commitment to internal training and development, rest assured that they are. And they are more than just a financial commitment. They also require senior business, and HR executives to shift their thinking about key competencies. That is our second key talent strategy—hiring people for their ability to embrace continual learning.

Today's digital businesses must prioritize hiring people who not only have the right skills and knowledge but also show a proclivity to learn new skills and knowledge. That has become crucial at a time when digital technologies are dramatically reducing the lifespan of knowledge and skills. In other words, much conventional wisdom does not remain wise as long as it used to.

Other soft skills: attitude, emotional intelligence, maturity, and the ability to work in a collaborative environment are more important than ever, at a time when business models shift frequently and new initiatives launch at high speed. Such personal attributes and aptitude should have a greater weight in hiring decisions than specific skills.

Learn more in [Students for Life: "Why Executives Must Continually Update Their Wisdom"](#) on page 143.

For more advice on [hiring vs. training in the digital business age](#), see our Q&A in [this issue with MIT's Jeanne Ross](#), page 129.



Screening More Rigorously

Applying equal screening weight for both hard and soft skills is crucial today. So has conducting more rigorous background checks, which is the third talent strategy. For example, in addition to traditional screening, a growing number of organizations are going online to check out the social media postings of potential employees. In the U.S., nearly four out of ten companies (39%) used social media in 2015 to screen potential employees, more than double the number (18%) in 2011, according to the Society for Human Resource Management.⁴¹



Bringing Brand Management to Campus

Our fourth strategy is one your marketers will embrace: strengthening your company's brand at colleges and universities. Every company today needs a brand image that makes college graduates want to come and join them. Large companies that have been around for decades compete against venture capital funded firms whose digital products are often the envy of new members of the workforce.

While your company may not be able to tap the 'cool factor' that such startups can offer, you can capitalize on other strengths. One is building a presence on campuses that long predates the days you recruit there. Offer learning materials to the universities for use in class. It is beneficial not only for your future hires to have this knowledge, but also for the industry workforce as a whole. Establishing labs within universities—as TCS has done in India and at Stanford, Carnegie Mellon, and other universities in the U.S.—also builds a company's reputation with the university community, including potential new hires, and their professors and mentors.

⁴¹ SHRM, Using Social Media for Talent Acquisition – Recruiting and Screening, January 7, 2016, accessed August 2, 2016, <https://www.shrm.org/hr-today/trends-and-forecasting/research-and-surveys/Documents/SHRM-Social-Media-Recruiting-Screening-2015.pdf>

Procter & Gamble has long done this with universities in its headquarters state of Ohio to feed its pipeline of talent. So has statistics software company SAS, with North Carolina State University, near its headquarters in Cary.⁴² The focus of the SAS/N.C. State research partnership includes cyber security, big data, text analytics, data visualization and sensors, and health monitoring technologies—all highly sought after employment skills.

As companies seek to attract, retain, and continually invest in possible university recruits, raising visibility is crucial. Some companies use hackathons and contests. They are not just for technology recruits. For example, TCS organizes several kinds of hackathons, and contests for predicting product reliability, and constructing business cases. The EngineX contest, primarily for mechanical engineering students, is aimed at solving problems in a factory or in product development.

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Gamified learning and hiring processes can also help. TCS has a ‘campus commune’ portal where students join and can create communities around common interests, as on other social networks, with TCS experts available to discuss topics or case studies. In the TCS Aspire program, new hires get gamified material as they prepare to join TCS, where they earn badges for milestones.

⁴² N.C. State University press release, SAS Signs Research Partnership, August 11, 2014, accessed July 26, 2016, <https://news.ncsu.edu/2014/08/sas-agreement/>



Using Digital Technology to Hire and Screen

Hiring has become a high-tech enterprise.

Companies that are digital businesses, or running fast to become one, must root out hiring inefficiencies. For instance, social networks such as LinkedIn will make much of today's human scanning of resumes obsolete in a few years. You cannot only spot industry domain knowledge, but also sense whether a person's history and goals culturally fit with your organization. Is social media a key hiring tool for your company? If not, it must become one.

Additionally, businesses must pay closer attention to using analytics tools. If your company has poor business analytics, it is hard for HR to see how the organization will grow in the future—what skills it has and what skills it will need.

Many HR departments have risen to this challenge. One is the \$50 billion U.K. based consumer goods company Unilever. CEO Paul Polman insists that business analytics and HR analytics should be tightly married, given the company's ambitious sales growth targets (doubling revenue). Unilever's chief HR officer, Doug Baillie, sees such alignment as a 'distinctive strength,' as he explained in a recent industry association white paper.⁴³ "We have spent an enormous amount of time examining whether we have the talent engine to sustain an 80 billion euros revenue business. ... This is one of the essential roles HR plays in the business by ensuring any gaps in the skills, talent or culture across the business that might harm our 80 billion euro aspirations are covered."

To Unilever, designing a talent strategy to help execute its growth strategy has been powerful.

⁴³ ValuingYourTalent.com, Unilever: Through the sustainability lens – leading people authentically, accessed July 23, 2016, http://www.valuingyourtalent.com/media/Case%20study%20-%20Unilever%20-%20PDF_tcm1044-5904.pdf



Marketing the Brand Broadly as a Great Place Work

The college campus is not the only place for companies to create a strong employer brand. They should use other channels as well. Conference speaking is one, and an industry alliance partnership is another. Along the same lines pay attention to the message your own website sends to possible hires. It may be highly attractive to customers. But is it as appealing to future employees?

In addition to traditional hiring techniques such as employee referrals (still an important tool) investigate emerging ones. For instance, can you use a platform where candidates can present themselves, and discuss their interest in a role using a short video clip?

Finally, consider using innovation hubs as a way to draw prized talent, say around robotics or IoT skills. General Motors uses four U.S. innovation centers to draw IT talent, especially from local universities. Part of the lure is the chance to work with emerging technologies and digital business projects.⁴⁴

A decade ago, a number of big companies such as Unilever, P&G, and Shell started focusing as much on their employer brand as they had for years on their customer brand, according to the employer branding firm Universum.⁴⁵ Since then, as the firm points out, social media has given employees the ability to broadcast what it is really like to work at a certain company. This means companies must pay far more attention to engaging with employees and making them advocates.

⁴⁴ *The Detroit News*, GM bolsters IT ranks in push for more innovation, June 08, 2015, accessed August 12, 2016, <http://www.detroitnews.com/story/business/autos/general-motors/2015/06/08/gm-wants-workers-hiring-continues/28720893/>

⁴⁵ *Harvard Business Review*, CEOs Need to Pay Attention to Employer Branding, May 11, 2015, accessed August 2, 2016, <https://hbr.org/2015/05/ceos-need-to-pay-attention-to-employer-branding>

BARRIERS TO SUCCESS

What are the common mistakes companies make as they try to improve their talent game? Many companies see the value in doing cross-training; fewer actually execute it well. If you cross-train someone and do not put that knowledge in action, the training becomes useless. Companies must find ways to help employees apply the new skills.

Second, companies need strong executive support for training and tweaking hiring practices. For example, if you are hiring for curiosity rather than for skills, the CEO must stress the value of quick learners as critical to company's digital goals. This helps fight cultural resistance.

Third, many of us have watched companies focus on hiring at the expense of retention. But retention is more crucial than ever. To keep valued employees, companies must offer multiple career paths, along with leadership development opportunities.

Coaching and mentoring are key to retention. The best companies personally connect with talented individuals, empathize with them, and give them exposure to the right levels of leadership to showcase their potential as future leaders. Corporate social responsibility (CSR) programs can help too: participating in social programs such as community development work has consistently proven to boost an employer's brand with employees.

Recruits notice CSR efforts. Some 79% weigh a company's CSR commitments when deciding where to work, according to one study.⁴⁶ In-demand analytics and big data professionals are showing an increasing interest in CSR, another study found out.⁴⁷

⁴⁶ Cybergrants, 6 Key Findings on the Rising Role of Corporate Social Responsibility (CSR), June 11, 2015, accessed July 26, 2016, <http://www.cybergrants.com/blog/corporate-social-responsibility-csr-201506.html>

⁴⁷ Burtchworks.com, Salaries of Data Scientists, April 2016, accessed July 26, 2016, http://www.burtchworks.com/files/2016/04/Burtch-Works-Study_DS-2016-final.pdf

HR'S FUTURE: A DIGITAL BUSINESS PARTNER

In the future, while automation tools will help with the transactional aspects of HR, the people aspect of HR will not go away. Today and tomorrow, much HR activity (coaching, critiquing, identifying rising leaders) is done by the business line managers themselves. HR provides necessary training and support for these managers. More than ever, HR should not be seen as an island, but as a partner to the business teams.

Yet HR must also continue to improve its own processes for hiring and retaining valued employees. Take a lesson from the agile, iterative approach at startups. The HR organization of a big company should constantly evaluate itself. Is a particular hiring or retention approach still providing value to the organization? If not, kill it quickly. Constantly question how your HR team's talent strategies benefit the business, and continue to improve or discard them to improve results.

The HR departments that help companies identify, secure, motivate, and retain the talent they need in the years ahead will be considered key engines of growth. In the most successful digital businesses, such HR functions are already playing that role.