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## **Innovative Talent Management Practices: A Study of International Business Machine (IBM)**

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### **Abstract**

Talent management refers to identify the employees talent and utilizing it effectively and retaining the same talent to compete with similar organizations. A talent management strategy will improve organizational performance through better identifying, sourcing, developing, rewarding, motivating and retaining the talent that keeps the firm ahead of competitors.

Today, we see many organizations wrestling with talent related issues. Should they spend precious time and resources in upgrading their learning capabilities, or focus their attention on attracting new employees from the outside? Do they invest in developing the ability to connect employees around the globe, or on a system that allocates human capital across the organization? How these practices can work together in a more seamless and integrated fashion?

This paper aims to better understand, how organizations are addressing talent management. This paper has also highlighted on how IBM provides a unique window into the current state of talent management practices within the organization, the gaps that exist today and recommendations for bolstering this capability.

The data for this paper was collected from both primary and secondary sources. The primary data has been collected by administering the questionnaires from IBM employees by convenience sampling method. The secondary data has been collected from IBM website and interaction with IBM employees. One way ANOVA tables are prepared to find the significant value with 95% level of significance using the f test as the statistical tool.

Key words: Retain, Motivation, Development, Learning, Competency

## **INTRODUCTION**

Talent management refers to identify the employee talent and utilizing it effectively and retaining the same talent to compete with similar organizations. Talent is a competitive advantage. A talent management strategy will improve organizational performance through better identifying, sourcing, developing, rewarding, motivating and retaining the talent that keeps the firm ahead of competitors. The core competence of a company today is not manufacturing or services, but the recruiting and nurturing of the best people and the cultivation in them of an insatiable desire to learn, to stretch and to do things better every day (Ramani and GuruSwami, 2003).

As organizations seek to overcome challenge associated with globalization, changing workforce demographics and the emergence of new business model, they are looking to their employees as the critical source of differentiation in the market. However, the search continues for guidance regarding the value of investing in talent management, and where organizations should place such investments.

Today, we see many organizations wrestling with talent related issues. Should they spend precious time and resources in upgrading their learning capabilities, or focus their attention on attracting new employees from the outside? Do they invest in developing the ability to connect employees around the globe, or on a system that allocates human capital across the organization? How these practices can work together in a more seamless and integrated fashion? To better understand, how organizations are addressing talent management, IBM provides a unique window into the current state of talent management practices within the organization, the gaps that exist today and recommendations for bolstering this capability.

According to Jain, 2009; talent management is the biggest challenge and concern for HR professionals that will consume their time. It is also a serious issue internationally. It means ability to maintain a stable workforce. A recent online survey conducted by SHL among HR managers across a wide range of companies and industries in the country asked, “what are your top five HR challenges?”

280 HR managers quoted that the single most important challenge faced by Indian HR managers is retention of talent. A recent poll of international senior HR managers conducted by Corporate Executive Board, Washington D.C. showed those three quarters of them mentioned “attracting and retaining” talent as their number one priority (The Economist, 7<sup>th</sup>October, 2006).

### **Identifying one’s own talent management priorities**

For organizations that are looking to quickly develop their talent management agendas, the following questions can serve as an important guide:

- To what extent does the organization have a talent management strategy that is focused on the key positions or roles that can differentiate it in the marketplace?
- How clearly defined and easy to understand are the processes of the organization related to attracting and retaining, motivating and developing, connecting and enabling, and managing and deploying the workforce?
- Are resources dedicated to addressing talent management issues that cross functional, geographic or business unit divisions within the organization?
- What types of metrics allow the organization to quickly ascertain the current state of talent supply and demand within the organization?
- How effective are the existing human capital applications in supporting talent management processes, as well as in providing information and enabling decisions about the current and future talent pools?

“Talent management is not an end in itself. It is not about developing employees or creating succession plans, nor is it about achieving specific turnover rates or any other tactical outcome. It exists to support the organization’s overall objectives which in business essentially amount to making money” (Cappelli, 2008).

What are effective talent management practices? Given the well-documented increase in global competition for skilled workers, changing workforce demographics and a shift towards more knowledge-intensive work, one answer may be that they are the practices that make for a happier, engaged and ultimately and more productive workforce.

However, no organization in today’s economic climate can afford to invest in talent management practices without a demonstrable and significant return on investment. Lacking this, senior leaders will not support the process and, most importantly, the process will not support organization goals.

## **OBJECTIVES OF THE STUDY**

- To better understand how organizations are addressing talent management.
- To study and understand how IBM provides a unique window into the current state of talent management practices within the organization.
- To study the effectiveness of talent management practices in IBM.

## **SCOPE OF THE STUDY**

Scope of the study lays down delimiters of the study in terms of reach. Scope of the study was IBM centers in Hyderabad, Pune and Bangalore.

### **TALENT MANAGEMENT AT IBM INDIA (BASED ON SECONDARY DATA COLLECTION)**

The objectives of the workforce talent solutions at IBM are to improve performance, optimize workforce costs, and increase profit per employee to secure a competitive advantage. IBM's Workforce and Talent Solutions (WTS) is a boon in the talent management marketplace that addresses every stage of the employee lifecycle. It is designed to leverage the synergy created when all stages of the employee lifecycle are optimized, and help the organization achieve a competitive advantage from its workforce. The solution provides a complete integrated approach to the employee life cycle that merges consulting services with Lotus collaborative technologies, Cognos Workforce Analytics, and best of breed Talent Management applications, including SuccessFactors and Saba. Additionally, IBM's own Workforce Management Initiative provides a unique set of assets and best practices that are leveraged to accelerate the transformation of any organization.

To achieve innovation and growth in today's business environment, it requires focus on the workforce and talent capabilities. The ability to manage costs, drive productivity and gaining a competitive advantage from the workforce is growing in importance and focus.

Today's workforce is increasingly globally dispersed, multigenerational and multicultural. Effective management of today's dynamic workforce requires an integrated and consistent approach. This can drive cost savings, efficiency, retention, quality, customer satisfaction and innovation.

According to a recent study by IBM and the Human Capital Management Institute, companies that apply effective and integrated workforce and talent management strategy and practices demonstrate significantly better financial performance compared to their industry peers.

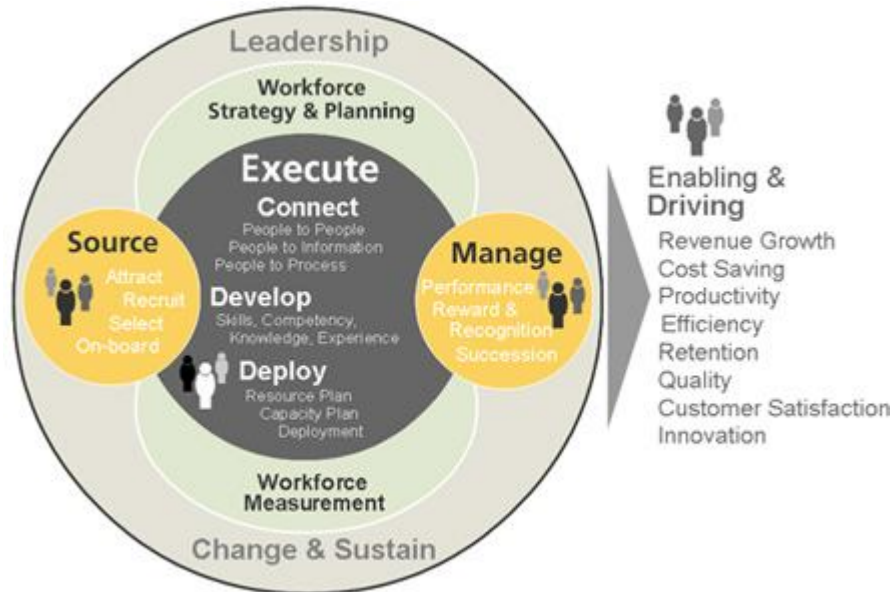
Additionally, during the time of economic uncertainty it requires even more focus on specific areas of the workforce strategy. Specifically, in order to position the organization for future success, one must differentiate high and low performers, stimulate social networking to create and leverage organizational knowledge of the globally dispersed workforce, promote the development of institutional knowledge, embrace flexible work environments, and enable leadership to guide individuals through the change. Increasingly, companies are recognizing that their workforce is a key asset that needs to be managed, improved and optimized to ensure the greatest return on investment. IBM Workforce and Talent Solutions offer an integrated approach that can help the organization increase shareholder value and build an Enterprise of the Future.

#### **Business challenges**

- Aligning the workforce strategy to the business strategy to maintain and increase the competitive advantage;
- Quickly adapting the workforce to changes in volatile market forces, rapidly shifting skills and newly emerging technology;

- Enable wide-scale collaboration of a dynamic and geographically disperse workforce;
- Delivering new products and services quicker than the competitor.

**Figure-1: Talent Management at IBM**



Source: IBM Institute for Business Value/Human Capital Institute.

//<http://www.ibm.com/>

### Six dimensions of Talent management at IBM

- **Develop Strategy:** Establishing the optimal long-term strategy for attracting, developing, connecting and deploying the workforce.
- **Attract and Retain:** Sourcing, recruiting and holding onto the appropriate skills and capabilities, according to business needs.
- **Motivate and Develop:** Verifying that people's capabilities are understood and developed to match business requirements, while also meeting people's needs for motivation, development and job satisfaction.
- **Deploy and Manage:** Providing effective resource deployment, scheduling and work management that matches skills and experience with organizational needs.
- **Connect and Enable:** Identifying individuals with relevant skills, collaborating and sharing knowledge, and working effectively in virtual settings.
- **Transform and Sustain:** Achieving clear, measurable and sustainable change within the organization, while maintaining the day-to-day continuity of operations.

#### New Employee Development

New employees join IBM at different stages in their careers. But they all share a common goal: to work in a place where their contribution will make a difference. And they also share a

common need to learn and build bonds with fellow employees. IBM Connections is a program designed to help new employees quickly and effectively join the team. The program is structured to help new employees in two key ways: developing their business effectiveness; establishing a good social network with their manager and colleagues.

### **The Manager**

The manager is there to support advice and guide on what is best for the employee and for the business. He or she will help determine the next best role, and identify development opportunities.

### **Individual development plan**

An individual development plan is prepared yearly to assist in the development. It helps identify the skills employees need to fulfill current and future business commitments, and the available prospects to improve those skills. It is also a great opportunity to discuss the career aspirations, job satisfaction, skills and competency gaps, and priorities for learning with the manager.

### **Foundational competencies**

Foundational competencies deepen the understanding of IBM Values by providing an outline of the behaviours' that demonstrate the values and create a high-performance culture. The foundational competencies also establish a benchmark for high performance.

### **IBM Professions**

If any individual ever face any professional, career and development challenges, an excellent source of support is the IBM Professions community. It is made up of professionals and managers who are involved in similar projects; he'll find helpful assistance on a wide range of issues.

Each Profession focuses on specific areas of expertise:

**7.a.** IBM's Business Consulting Services Learning & Knowledge team provides learning offerings for employees in the Consultant Profession.

**7.b.** The Sales Profession Learning Centre enables sales professionals to identify areas that need strengthening, and roadmaps on how to enhance competencies and skills.

**7.c.** The Project Management Centre of Excellence offers a worldwide project management learning curriculum.

**7.d.** The IBM Global Services Institute provides an extensive range of knowledge for IT Specialists and IT Architects.

### **On demand learning**

At IBM, learning is embedded in the DNA. It is essential to the success, allowing them to develop new initiatives, re-skill the workforce and address key market shifts. But they recognize that it is challenging to find time for formal learning.

That's why they created On Demand Learning, which enables employees to learn according to their schedules and priorities. It also enables them to recommend learning to employees based on their individual needs.

On Demand Learning offers three options:

**8.a.** Work Apart - people take a leave of absence to learn new skills

**8.b.** Work Embedded - IBM offers guidance at the exact moment people need it.

**8.c.** Work Enabled - learn as well as working

No matter which option one chooses, they find that learning at IBM enable them to leapfrog in the career development.

### **Mentoring**

IBM encourages all employees to have mentors as it is great way to learn from others. In fact, most people benefit from having several mentors in different areas such as career growth, technical knowledge and enhancing business and client awareness.

### **Internal job market**

Employees in IBM are able to use an Internet-based recruitment tool to search through the database of all current open positions and apply directly on-line for a position.

### **Growth Strategy**

Designed to meet the high touch, high volume, cost competitive needs of clients, IBM's radically livewire recruitment ensures that they hire from the best technical and business institutions students, and provide extensive training to the new employees before assigning them to a customer project.

With a well-balanced and diverse workforce, IBM is the right place to unleash the career dreams. One could be a fresher, a professional, an inventor, a trainer, a subject matter expert in media & entertainment or finance, or a highly motivated project manager. Opportunity waits for every skill at IBM's Global Business Services. And, once he becomes a part of the ecosystem, the leaders and senior managers will help in charting the career and growth plan.

### **HYPOTHESIS**

**H0:** The software engineers of IBM differ in their opinions towards the effectiveness of talent management practices in their organization.

**RESEARCH METHODOLOGY AND EMPIRICAL ANALYSIS**To probe the relationship between the company's policy of talent management and the opinion of the employees on the effectiveness of the talent management practices, a primary data analysis is done.

### **Data Collection**

The data was collected from both primary and secondary sources. The primary data has been collected by administering the questionnaires from IBM employees. Few questionnaires were administered personally by hand and a few responded back online. The secondary data has been collected from IBM website and interaction with IBM employees.

### **Sample and Sampling Technique**

**Sample Size:** The total sample size is 50 out of which 30 have responded back.

**Sampling Technique:** Convenience Sampling- the questionnaire was partially filled face to face and partially online.

**Data Analysis**

The data analysis is done by using SPSS software. With the help of SPSS, mean score and standard deviation are calculated. One way ANOVA tables are prepared to find the significant value with 95% level of significance using the f test as the statistical tool.

Then Post Hoc tests are done to find out the whether there is a significant difference in the opinion of the employees within various age groups and experience level.

**Table: 1(a) Respondents by age and experience and their opinions on the effectiveness of Talent Management practices in the organization.**

**Descriptives**

	N	Mean	Std. Deviation	Std. Error	95% Confidence Interval for Mean		Minimum	Maximum
					Lower Bound	Upper Bound		
Exp 2-5 yrs/ 24-28 yrs age	6	4.166667E0	.3151503	.1286596	3.835937	4.497397	3.7143	4.5714
5-10 years/28- 35 yrs age	18	4.242063E0	.3297375	.0777199	4.078089	4.406038	3.7143	4.5714
10-15 years/ 35-40 yrs age	6	4.214286E0	.2347382	.0958315	3.967943	4.460628	4.0000	4.4286
Total	30	4.221429E0	.3020863	.0551532	4.108628	4.334229	3.7143	4.5714

**Table: 1(b)  
ANOVA**

	Sum of Squares	Df	Mean Square	F	Sig.
Between Groups	.026	2	.013	.134	.875
Within Groups	2.620	27	.097		
Total	2.646	29			

**Post Hoc Tests  
Table: 1(c)**



## Multiple Comparisons

LSD

(I) EXP/AGE	(J) EXP/AGE	Mean Difference (I-J)	Std. Error	Sig.	95% Confidence Interval	
					Lower Bound	Upper Bound
2-5 years/ 24-28 yrs	5-10 yrs/ 28-35	-.0753968	.1468592	.612	-.376727	.225933
	10-15 yrs/ 35-40	-.0476190	.1798650	.793	-.416672	.321433
5-10 years/28-35	2-5 yrs/24-28	.0753968	.1468592	.612	-.225933	.376727
	10-15 yrs/ 35-40	.0277778	.1468592	.851	-.273552	.329108
10-15 years/ 35-40 yrs age	2-5 years/ 24-28	.0476190	.1798650	.793	-.321433	.416672
	5-10 years/ 28-35	-.0277778	.1468592	.851	-.329108	.273552

- Statistical Interpretation:** From the statistical analysis, it is observed that as the significance value is more than 0.05, hence there is no significant difference between various age and experience groups of sample on their opinion towards the talent management practices at IBM.
- Interpretation on Hypotheses test:** As there is no significant difference in the opinions of respondents, the hypotheses H0 does not hold good and the alternative hypotheses(H1) that the software engineers do not differ in their opinions towards talent management in different age and experience groups hold good.
- Theoretical Interpretation:** There is no significant difference in the opinions as far as the age and experience are concerned. This is because employees of all ages and experience level working at IBM face a similar situation as far as talent management is concerned. IBM works towards creating a strong career development engine for existing employees which enables a series of career fast tracks pointing towards the critical roles. This career development engine helps limit the attrition among existing talent. Another aspect which helps the company retain the best talent is the learning and career development programs that it offers to its employees. IBM employs one of the most highly educated work forces in the world. IBMer in India also have the unique opportunity to change jobs within the same organization, this is why they build career within the company itself. On the retention side, IBM is giving Indian employees more opportunities to have overseas assignments. The HR has also appointed a staff of a dozen

or so “royal ambassadors” whose job is to keep track of new hires and make sure they are assimilating well.

## **CONCLUSION**

From the study conducted above, it is observed that IBM has very well developed talent management practices in their implemented in their organization. All the employees also support this fact that they have been well utilized by the organization and their skills and knowledge has been given due importance. When it comes to intellectual property, encouraging key talent to generate fresh perspective and innovative ideas and maintain competitive advantage is extremely critical for businesses to be successful. IBM has identified this trend and has very well implemented it.

However, what more the organizations need to do to ensure that they attract key people, allow talent to thrive and, most importantly, avoid losing the talent to the competition? The purpose of talent management is to assure that the supply of talent is available and to align the right people to the right jobs at the right time, based on strategic business objectives (Naqvi, 2009). Getting the right person in the right job dramatically increases the odds of keeping him or her. Once the right set of talented people are hired, a competency- based system will assess and accordingly develop their competencies.

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