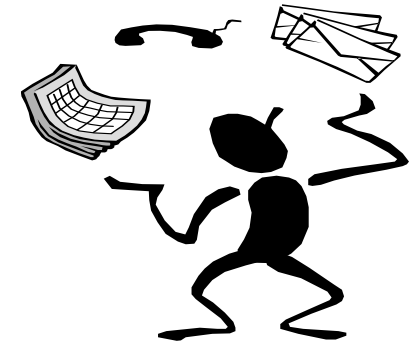
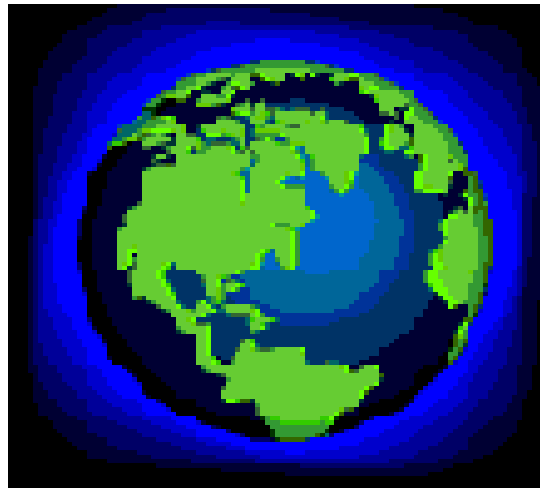
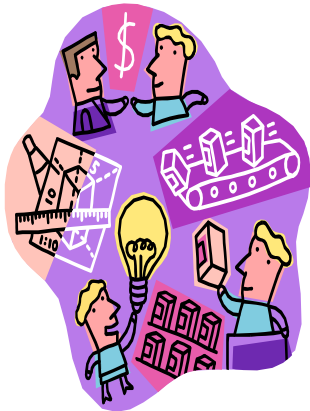


HRM and Innovation



A Global Talent Management Challenge

IFSAM, Limerick, Ireland, 26-29 June 2012



Our Agenda

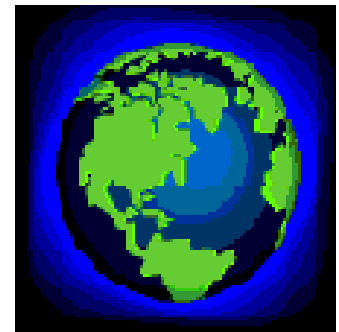


I. Innovation and Its Importance

II. Innovation as a Big GTMC

**III. HR Policies and Practices from
GTM for Innovation**

IV. Impact on Firms and HR



INNOVATION

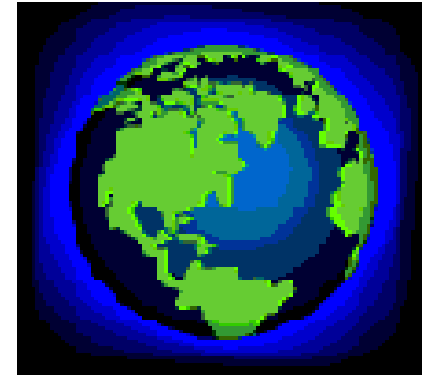
The capability to systematically create, develop, and implement new ideas, services and products, whether incremental or transformative, that sustain and enhance a firm's competitive position in the short-term and long-term.

<http://www.youtube.com/watch?v=2NK0WR2GtFs>; M. Bornay-Barrachina, et al.,
<http://www.entrepreneur.com/entrepreneurmagazine/2011/12>
<http://www.nytimes.com/2012/04/08/books/review/the-idea-factory-by-jon-gertner.html>
<http://www.idaireland.com/innovation/>

The Importance of Innovation

Countries and companies can really only be competitive in the long run by relentlessly pursuing (successfully) a strategy of innovation.

Michael Porter, Professor, HBS

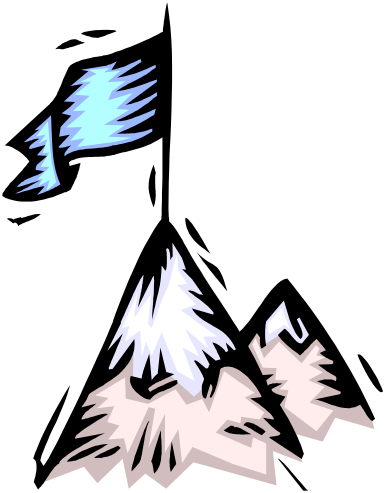


http://en.wikipedia.org/wiki/Michael_Porter <http://www.strategy-business.com/innovation>
<http://www.strategy-business.com/article/00069> <http://www.strategy-business.com/article/00078>
<http://www.strategy-business.com/article/11404> <http://www.youtube.com/watch?v=JTTWSE4Qhx0>
<http://www.strategy-business.com/article/00100?gko=bb447>
<http://www.globalinnovationindex.org/gii/main/fullreport/index.html>
<http://www.haygroup.com/BestCompaniesForLeadership/research-and-findings/about-the-research.aspx>
<http://www.idaireland.com/innovation/>

The Importance of Innovation

“Most leaders today recognize that competitive advantage in the knowledge economy is determined and driven by human capital. People are the only asset that innovates, and innovation is the only path to sustained breakthrough performance.”

The Importance of Innovation



The Chief HR Officer (CHRO) study conducted by IBM found that amongst the more than 700 CHROs around the world “their No. 1 business challenge is driving creativity and innovation!”



<http://blog.hreonline.com/2011/03/15/grappling-with-hrs-role-in-innovation-and-growth/>
<http://www-935.ibm.com/services/c-suite/chro/study.html>



The Importance of Innovation



“The competitive advantage goes to countries and companies that know how to manage their human resources in ways that foster and facilitate innovation. But doing so is not easy, in fact, it is a major global talent management challenge for firms worldwide.”



http://www.booz.com/media/uploads/Global_Talent_Innovation.pdf www.booz.com



Global Talent Management Challenges (GTMCs)

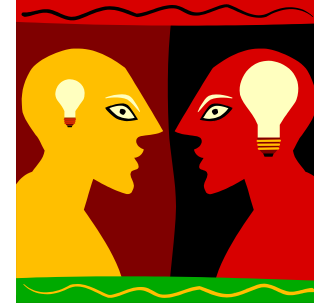
GTMCs are significant *strategic human resource issues* that focus on managing a firm to ensure the right number of employees are available at the right place, time, and price and with the appropriate competencies to facilitate the attainment of a firm's success.

Tarique and Schuler, 2010; Schuler, Jackson and Tarique, 2011a; 2011b; Scullion and Collings, 2011; Stahl, et al, 2012.

Global Talent Management Challenges

For example, managing:

➤ Talent shortages



➤ Talent surpluses

➤ Talent deployment/location



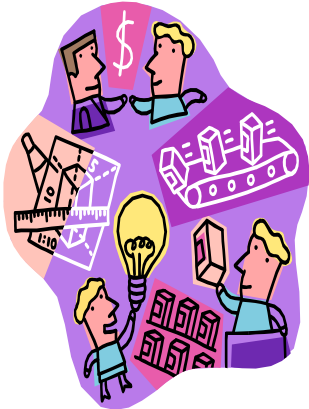
➤ Talent diversity



➤ Talent at most competitive prices



So there Are Many GTMCs Today:



➤ But the major challenge today is increasing the capability of firms and individuals to be innovative, creative, bold, fast, flexible and adaptable through human resource management.



Innovation as a Big GMTC



**So, the question for us now is:
“What can be done to solve this
vital global talent management
challenge of fostering and
facilitating innovation using human
resource policies and practices?”**



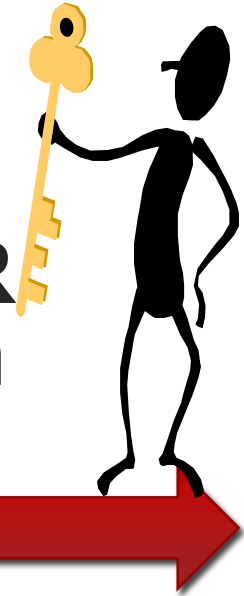
http://www3.weforum.org/docs/PS_WEF_GlobalTalentRisk_Report_2011.pdf



The Answer Is:



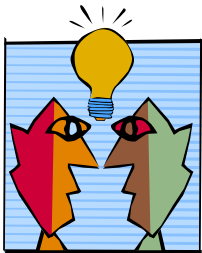
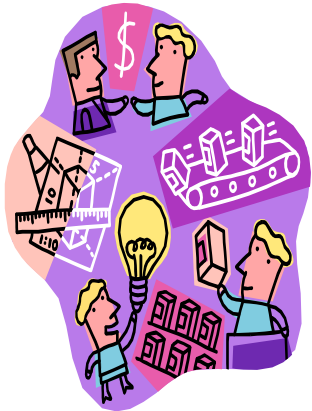
A systematic use of the appropriate HR actions (HR policies and practices) from Global Talent Management (GTM):



<http://www.businessresearch.eiu.com/global-talent-index-2011-2015.html>

HR Policies and Practices

The following slides offer examples of HR policies and practices from GTM that can be used by firms to foster and facilitate an innovation strategy in the firm.

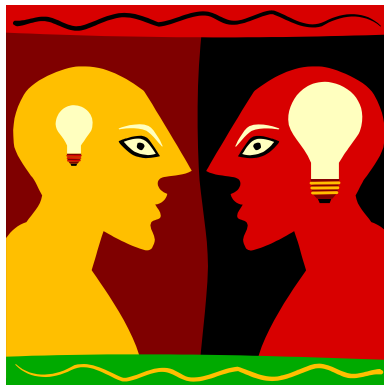


http://www3.weforum.org/docs/PS_WEF_GlobalTalentRisk_Report_2011.pdf

http://www3.weforum.org/docs/WEF_GlobalCompetitivenessReport_2010-11.pdf

HR Policies and Practices from GTM for Innovation

- Strategic HR Planning I & II
- Strategic Location Planning
- Job design/Work Arrangements
- Recruitment and Selection
- Training & Development
- Organization Design
- Performance Management
- Compensation



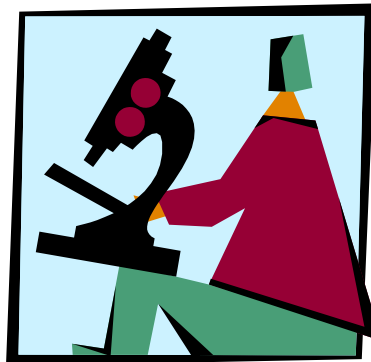
http://www3.weforum.org/docs/PS_WEF_GlobalTalentRisk_Report_2011.pdf

<http://www.strategybusiness.com/article/00077?gko=a800>

<https://sakai.rutgers.edu/access/content/group/1b2bb8c3-ce5b-43d3-8c7a-ed9325901072/Session%2001/GTM%20Schuler%20et%20al%20JWB%202011.pdf8>

Strategic HR Planning: Part I

**Business
Strategy:
Innovation**



**Org'al
Conditions**
-Top Mgmt
-Culture
-Firm
Qualities

[https://www.mckinseyquarterly.com/How the best labs manage talent 2811](https://www.mckinseyquarterly.com/How_the_best_labs_manage_talent_2811) <http://www.innovationreverse.com/>



Top Management Support

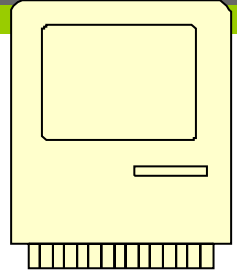
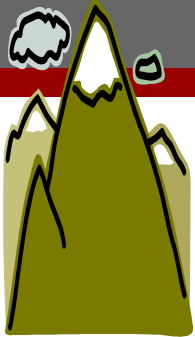
Top management leadership and support are vital for an innovation strategy.



[https://www.mckinseyquarterly.com/Coaching innovation An interview with Intuits Bill Campbell 1925](https://www.mckinseyquarterly.com/Coaching_innovation_An_interview_with_Intuits_Bill_Campbell_1925)

<http://www.strategy-business.com/article/11212?gko=75d9f&cid=20110609rr> Bornay-Barrachina, *et al.*, 2012

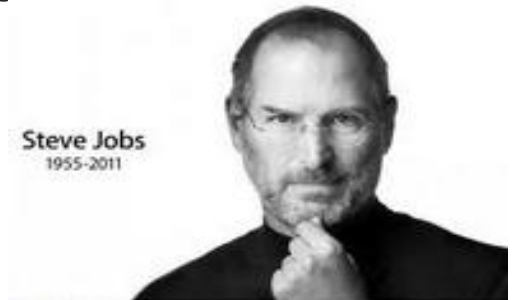
Top Management Support



“The most difficult and important thing to create was not an innovative product, but a great organization that could *continually* create innovative products.”



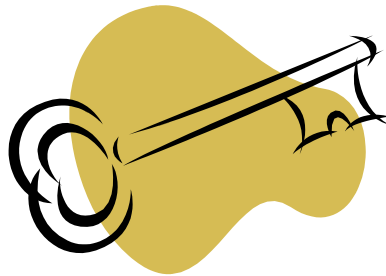
Steve Jobs, Co-founder. Apple



http://www.nytimes.com/2012/01/27/technology/apple-and-google-as-creative-archetypes.html?_r=1 Ying and Yang of corporate innovation using Apple and Google examples <http://www.nytimes.com/2012/04/08/books/review/the-idea-factory-by-jon-gertner.html?pagewanted=all> Walter Isaacson on Steve Jobs



“CULTURE IS THE KEY TO INNOVATION”



<http://www.strategy-business.com/article/11404?gko=dfbfc&cid=20111025enews>

http://www.booz.com/global/home/what_we_think/multimedia/video/mm-video_display/49934209

<http://bits.blogs.nytimes.com/2012/04/15/disruptions-innovation-isnt-easy-especially-midstream/> Story of Instagram

<http://www.haygroup.com/BestCompaniesForLeadership/research-and-findings/about-the-research.aspx>



Culture Building

In some of the world's most admired companies for innovation:

- Innovation is not a separate function, but part of the way they operate:
- 87% capture and disseminate innovative ideas
- 83% innovate to fix things that aren't broken
- 83% proactively address problems before they occur



https://www.mckinseyquarterly.com/Strategy/Growth/Starbucks_quest_for_healthy_growth_An_interview_with_Howard_Schultz_2777

<http://www.haygroup.com/Fortune/research-and-findings/key-findings.aspx> <http://www.strategy-business.com/article/10410?pg=all>

<http://www.strategy-business.com/article/11404?gko=dfbfc&cid=20111025enews>

Culture Building

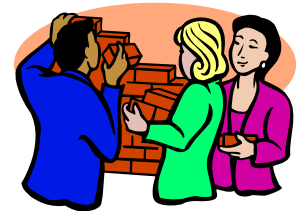


Overall, a culture needs to be built that reflects an open, free-flowing interaction, an egalitarian exchange of ideas and thoughts, and values all equally, and also reflects a great many qualities



FIRM QUALITIES (a)

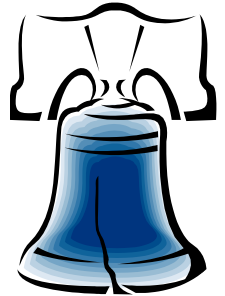
- **THINK DIFFERENT**
- **COLLABORATION**
- **KNOWLEDGE ACQUIRING & SHARING**
- **LONGER TERM PERSPECTIVE**
- **SUPPORT FAILURE AND SUCCESS**
- **NECESSARY TALENT/EXPERTISE**



<http://www.innovationexcellence.com/blog/2011/07/06/dealing-with-a-large-company-having-small-innovation-goals/> <http://www.economist.com/node/18648264> China's approach to innovation <http://www.economist.com/blogs/babbage/2012/01/surgical-robots>

FIRM QUALITIES (b)

- **MINIMAL BUREAUCRACY**
- **LIMITED FINANCIAL CONTROLS**
- **AUTONOMOUS, FUNCTIONALLY COMPLETE UNITS**
- **CLEAR GOALS; STAYING CLOSE TO CUSTOMER**



- <http://www.strategy-business.com/article/00075?gko=e1727>
http://www.nytimes.com/2011/06/19/technology/19unboxed.html?_r=1&pagewanted=print
<http://hbswk.hbs.edu/archive/5258.html> <http://www.nytimes.com/2011/08/07/jobs/07pre.html>
http://www.mckinsey.com/mgi/publications/big_data/pdfs/MGI_big_data_full_report.pdf
https://www.mckinseyquarterly.com/Retail_Consumer_Goods/Strategy_Analysis/Inside_PG_digital_revolution_2893
http://www.mckinseyquarterly.com/article_print.aspx?L2=1&L3=105&ar=2489

FIRM QUALITIES (c)



➔ **TASK FORCES/BRAINSTORMING**

➔ **ACQUIRING, MERGING AND/OR FORMING JVs and ALLIANCES**

➔ **ESTABLISHING AND MAINTAINING OPEN AND COLLABORATIVE RELATIONSHIPS; DATA MINING; CROWD SOURCING**

➔ **INFORMAL BOOTLEGGING; SKUNK WORKS (e.g., Google, P&G)**

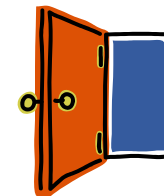
<http://www.strategy-business.com/article/00075?gko=e1727> <http://www.businessweek.com/articles/2012-03-01/twitter-the-startup-that-wouldnt-die> alliances that Twitter made
http://www.businessweek.com/managing/content/may2011/ca20110520_512407_page_2.htm
http://www.nytimes.com/2011/06/19/technology/19unboxed.html?_r=1&pagewanted=print
<http://hbswk.hbs.edu/archive/5258.html> P&G <http://www.nytimes.com/2011/08/07/jobs/07pre.html>
http://www.mckinsey.com/mgi/publications/big_data/pdfs/MGI_big_data_full_report.pdf
<http://www.youtube.com/watch?v=v8lTROVu6RA> LG Innovation and use of alliances <http://www.strategy-business.com/article/00078> 3M story of collaboration across units.



POSSIBLE CONTINGENCIES:

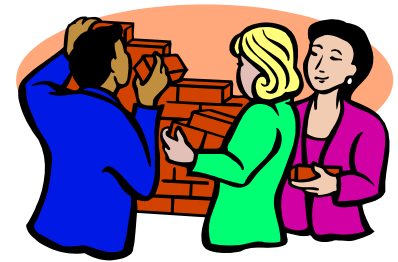


- THE INNOVATION GOALS
- THE STAGE OF INNOVATION
- DEGREES OF OPENNESS
- INCREMENTAL v. BREAKTHROUGH
- SIZE OF FIRM
- WHERE DONE: WEST v EAST
- EXPLORATORY v EXPLOITATIVE



<http://www.innovationexcellence.com/blog/2011/07/06/dealing-with-a-large-company-having-small-innovation-goals/>
<http://www.entrepreneur.com/article/printthis/220558.html> size matters <http://blogs.hbr.org/ashkens/2011/01/can-a-big-company-innovate-lik.html> size matters <http://www.economist.com/node/18648264> China's approach to innovation
<http://www.booz.com/media/uploads/Beyond-Borders-Global-Innovation-1000.pdf>
<http://www.economist.com/blogs/babbage/2012/01/surgical-robots> <http://www.booz.com/media/uploads/BoozCo-Global-Innovation-1000-2011-Culture-Key.pdf> <http://www.booz.com/media/file/sb61-10408-K.pdf> Capabilities
<http://www.innovationreverse.com/> <http://www.iveybusinessjournal.com/topics/innovation/casting-a-wide-net-building-the-capabilities-for-open-innovation>

Strategic HR Planning: Part II



**Business
Strategy:
Innovation**

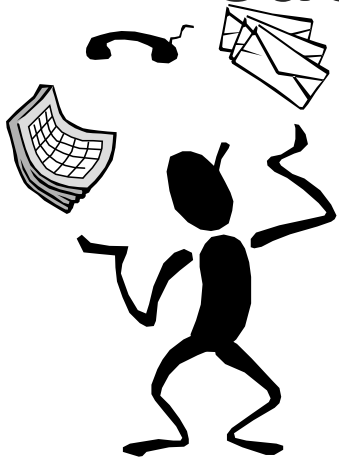
**-Employee
Strategic
Competencies**

<http://www.bbc.co.uk/news/13612424>
Story about HTC



STRATEGIC COMPETENCIES

Strategic competencies are those competencies uniquely necessary to successfully implement the firm's strategy.



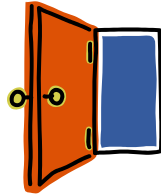
STRATEGIC COMPETENCIES NEEDED FOR INNOVATION (a)

Leadership Characteristics:

➤ Humility/patience



➤ Openness



➤ Experimentation/inquisitiveness



➤ Confidence and vision for the long term



<http://www.nytimes.com/2011/10/23/opinion/sunday/friedman-one-country-two-revolutions.html>

<http://www.nytimes.com/2011/10/24/technology/economists-see-more-jobs-for-machines-not-people.html>

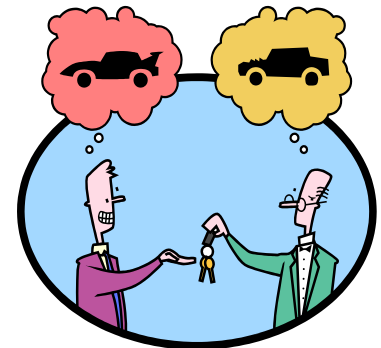
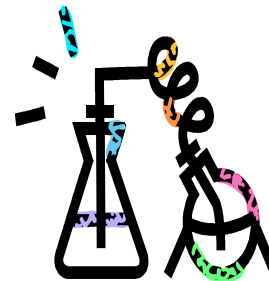
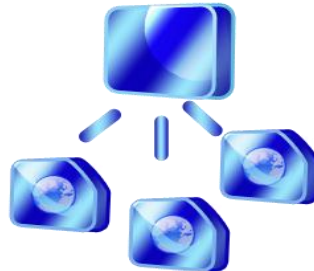
<http://www.nytimes.com/2012/01/01/business/how-samuel-palmisano-of-ibm-stayed-a-step-head>

Leadership Characteristics(cont'd)

“The most successful companies in innovation are those with leaders who have five particular skills that can be learned by anyone, although some have them already.”



<http://www.forbes.com/sites/tompost/2011/07/20/the-most-innovative-companies-today-and-tomorrow/>



STRATEGIC COMPETENCIES NEEDED (b)



➤ 1. Questioning: posing queries that challenge common wisdom

➤ 2. Observing: scrutinizing the behavior of customers, suppliers, and competitors to identify new ways of doing things



➤ 3. Experimenting: constructing interactive experiences and provoking unorthodox responses to see what insights emerge

➤ 4. Networking: meeting people with different ideas and perspectives



➤ 5. Associating: drawing connections between questions/problems/ideas from unrelated fields



And there are several others beyond these 5, including



FROM THE INNOVATORS "DNA": <http://www.economist.com/node/21525350>
<http://www.youtube.com/watch?v=TtsM9VGNIII&feature=related>

STRATEGIC COMPETENCIES NEEDED (c)



➤ **COMFORT WITH CHANGE;
ENTREPRENEURIAL SPIRIT; DESIRE TO
REINVENT CONSTANTLY; EXCITEMENT
WITH INVENTION; ADAPTABLE; FLEXIBLE**



➤ **COMFORT WITH UNPREDICTABILITY**

➤ **WILLINGNESS:**

a. **TO THINK OUTSIDE THE BOX**

b. **TO BE ENGAGED; BE PASSIONATE**

c. **TO SHARE KNOWLEDGE**

d. **TO CREATE, FAIL, LEARN, CREATE AGAIN**



Strategic Location Planning

**Business
Strategy**

**Location
Choices**



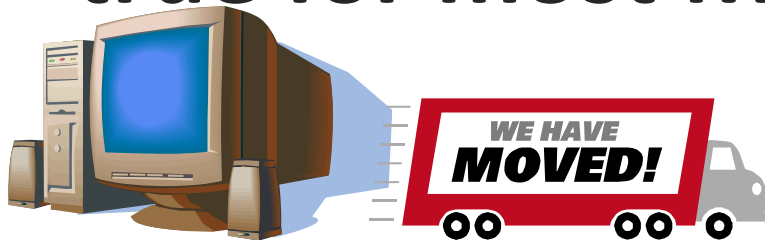
<http://www.economist.com/node/18061718> porsche in europe
iphone and Apple in the US and China:

http://www.nytimes.com/2012/01/22/business/apple-america-and-a-squeezed-middle-class.html?_r=1&pagewanted=all

<http://www.hbs.edu/competitiveness/pdf/hbscompsurvey.pdf>

We at IBM are locating many of our new R&D centers in countries throughout the world. The same is true for most MNEs.

IBM



<http://www.nytimes.com/2009/03/06/business/06layoffs.html?pagewanted=2&r=1&sq=IBM%20and%20layoffs&st=cse&scp=1>

<http://www.nytimes.com/2010/04/20/technology/20blue.html> IBM goes global <http://www.ibm.com/us/en/>
<http://www.ibm.com/ibm100/us/en/icons/globalbiz/> Globally Integrated Enterprises

Strategic Location Planning

- IBM's American employment has been on a steady decline (about 100,000)
- Yet, IBM reported that it's workforce in Brazil, Russia, India & China have risen significantly (about 300,000)
- Today, 86 R&D centers worldwide, up from 25 in 2001
- R&D centers also in Russia by Philips, Siemens, Nokia, Boeing and Microsoft



<http://www.nytimes.com/2009/03/06/business/06layoffs.html?pagewanted=2&r=1&sq=IBM%20and%20layoffs&st=cse&scp=1>
<http://www.nytimes.com/2010/04/20/technology/20blue.html>
<http://www.ibm.com/ibm100/us/en/icons/globalbiz/>

Job Design/Work Arrangements

OVERALL FINDINGS: EMPLOYEE ENGAGEMENT and INNOVATION IMPACTED FAVORABLY BY:



SENSE OF PURPOSE



SENSE OF MASTERY



FLEXIBILITY/ADAPTABILITY



CROSS-FUNCTIONAL RELATIONS



TEAM DIVERSITY AND TRAINING



http://www.blessingwhite.com/content/reports/BlessingWhite_2011_EE_Report.pdf

<http://www.youtube.com/watch?v=u6XAPnuFjJc> ; Jackson, Hitt & DeNisi, 2003

Job Design and Global Teams

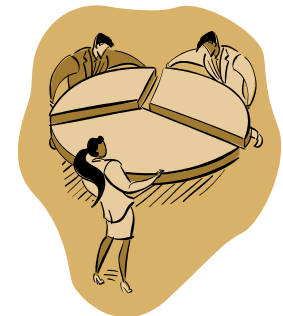
- Team work is essential for most innovation today, so multinational firms need to integrate the talent of many employees who are located in many global locations
- One method for accomplishing this need is through Global Teams that are well trained (relates to slide #40)
- Global Teams, work through time zones, geographical locations, and cultural affiliations, that is, they are diverse, thus

<http://www.charlierose.com/view/interview/11879>



Recruitment and Selection

Diversity and multiculturalism are vital components of recruiting and selecting individuals for innovation.



<http://www.fastcompany.com/magazine/84/playbook.html>

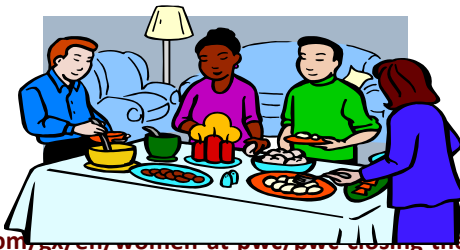
<http://knowledge.wharton.upenn.edu/article.cfm?articleid=2785> <http://www.strategy-business.com/article/11212?gko=75d9f&cid=20110609rr>

http://www.nytimes.com/2009/07/19/business/19corner.html?_r=1&pagewanted=print http://www.businessweek.com/innovate/content/may2011/id20110527_276850.htm?campaign_id=mag_Jun9&link_position=link39

<http://www.youtube.com/watch?v=X165uXg8EOE&feature=related> IBM recruiting video for a team

Diversity/Multicultural Initiatives

- NEED TO DEVELOP INITIATIVES TO EXPAND THE POTENTIAL LABOR MARKET:
E.G., AGE, GENDER, REGION, CULTURE
- NEED TO DEVELOP INITIATIVES THAT PROVIDE MORE OPPORTUNITIES TO THE
EXISTING WORKFORCE
- MAY NEED TO DEVELOP INITIATIVES THAT APPEAL TO
DEMOGRAPHIC, CULTURAL, AND REGION DIFFERENCES



<http://www.pwc.com/gap/en/women-at-pwc/pwc-closing-the-gender-gap-film.html> www.worklifepolicy.org/index.php/

http://www.aperianglobal.com/publications_newsletter.aspsection/research_pubs www.weforum.org/s?s=Global+Gender+Gap+Rep

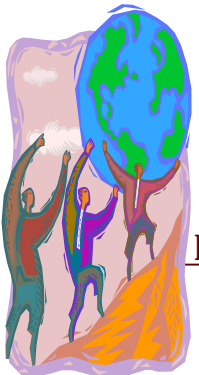
<http://www.hrmreport.com/article/microsofts-diverse-workforce>

<http://www.research.hsbc.com/midas/ortRes/RDV?ao=20&key=ej73gSSJVj&n=282364.PDF>



Engagement

Engagement is an excellent way to describe the quality of the relationship between the employee and the employer. The greater the engagement, the greater the alignment of interests between them, and the greater the efforts by them to do as well as possible for each other, including being innovative.



P. Sparrow, Lancaster University Management School

<http://www.kent.ac.uk/webteamtest/kbs-medway/1-sparrow.html>



Engagement Initiatives



PROVIDE EMPLOYEES WITH:

➤ JOBS THAT OFFER A SENSE OF MASTERY, AUTONOMY, PURPOSE

➤ COACHING, RELATIONSHIP BUILDING

TRUST, OPEN COMMUNICATION, AND A SHARING AND SUPPORTIVE CULTURE



For more see: http://www.blessingwhite.com/content/reports/BlessingWhite_2011_EE_Report.pdf

http://www.businessweek.com/managing/content/jan2009/ca20090116_444132.htm

http://www.businessweek.com/managing/content/jan2009/ca20090116_444132.htm (engagement at MGM Grand)

http://www.astd.org/TD/Archives/2011/Mar/Free/March_2011_Mm_Mm_Good.htm (engagement at Campbell Soup)

<http://www.gallup.com/consulting/52/Employee-Engagement.aspx> (does extensive survey work on engagement and has “Best in Class” numbers) <http://www.shl.com/us>



Training & Development

GLOBAL TEAMS HELP GLOBAL PHARMA COMPANIES CREATE INNOVATIVE NEW PRODUCTS

- As a global company, Novartis' goal is to enhance sensitivity to each other so that exchange and sharing are easier to do
- Offer a program called "Leading Global Teams" that
 - Provides a generalization of national culture, and organizational culture of different business units
 - Utilizes a tool called Cultural Orientations Indicator (COI)
 - Includes 10 dimensions- each contains a cultural continuum measuring preferential styles of behavior and allows comparisons across country cultures



www.culturalnavigator.com

Organization Design: Collaboration

For the experiences of companies, see 3M, P&G and Apple, companies who are aggressive practitioners of “open innovation.” The essence of open innovation is ensuring that employees in different divisions have formal contact with one another and that all employees have formal contacts with external groups such as research labs, competitors and universities.



<http://www.iveybusinessjournal.com/topics/innovation/casting-a-wide-net-building-the-capabilities-for-open-innovation> Wallin & von Krogh, 2010

Performance Management

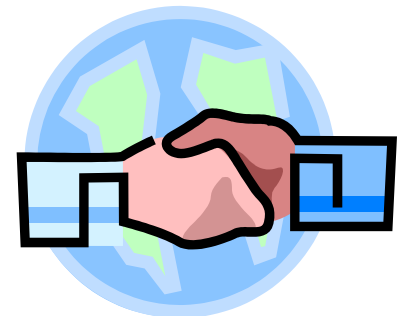
➤ Companies such as Novartis, view Performance Management as central to their Global Talent Management Activities for innovation



➤ At the heart of their Performance Management is a system that:

➤ Grades Employees and Matches their compensation to:

1. **Business Results ("The What")**
2. **Values & Behaviors ("The How")**



Performance Management



- Each of the two performance dimensions (values & behaviors and results) are rated on a three-point scale.
 - 1- poor performance
 - 2- satisfactory performance
 - 3- Superior Performance
- Some of the Values & Behaviors consist of:
 - Collaboration and Cooperation
 - Knowledge Sharing
 - Demonstrating Empowerment and Accountability
 - <http://www.booz.com/media/file/GTI.pdf>
 - http://www.booz.com/media/uploads/Global_Talent_Innovation.pdf





Compensation



- Performance ratings have a large impact on associates' compensation.
- Initially employees' base salary and target incentive are driven by market data.
- High performers (on results and behaviors) may be eligible for almost double their base salary in their annual bonus.
- Conversely, low performers do not receive a salary increase or a bonus.
- Innovation is thus fostered and facilitated by the combination of performance management and compensation.



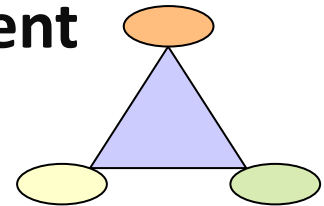
Conclusions

- GTMCs are significant strategic human resource issues that result from the strategic directions of the firm.
- For many firms, innovation is one of the most important GTMCs today.
- Consequently, fostering and facilitating innovation through HR policies and practices could be very helpful to the firm. Selected HR P&Ps from GTM can help foster and facilitate innovation by supporting human and social capital development, knowledge building and collaboration, and engagement and retention.
- This can be done most effectively through an understanding of organizational conditions of firms, such as leadership, culture and several qualities, and strategic competencies and engagement levels of individuals.



Conclusions (cont'd)

- So today there is an expanded understanding of the HR policies and practices that can foster and facilitate innovation, including the numerous contingencies that exist in firms pursuing strategies of innovation
- Consequently, HR professionals, in conjunction with line managers and employees need to analyze which HR policies and practices to select and implement



- If done well



RESULTS FOR FIRMS



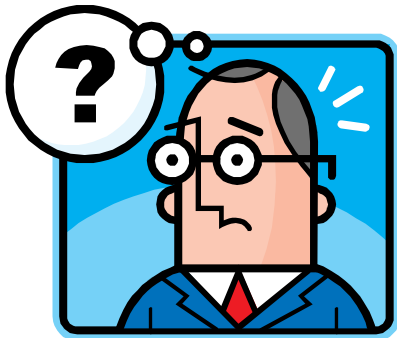
- Innovation strategy more likely to be developed, implemented and maintained
- Pursuit of innovation is more likely to be successful



- Employees more likely to remain with firm and
- Competitive advantage is gained BUT



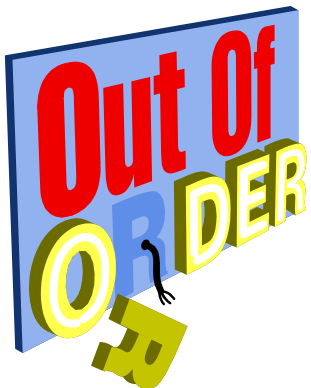
BUT...



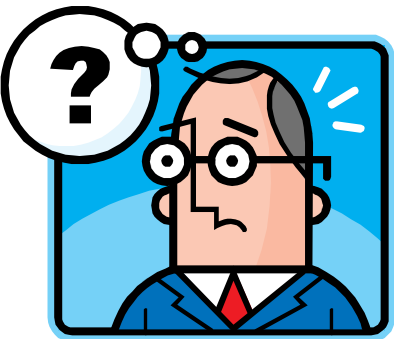
“The takeaway for me in all this, is we all think these things matter, but most of us are not doing something about it. Second takeaway, it’s difficult; if it were easy, we’d all be doing it.”

Sue Meisinger, former President and CEO of the Society for Human Resource Management (SHRM)

<http://blog.hreonline.com/2011/03/15/grappling-with-hrs-role-in-innovation-and-growth>



DESPITE THE FACT THAT...



the recent Chief HR Officer (CHRO) study conducted by IBM found that amongst the more than 700 CHROs around the world “their No. 1 business challenge is driving creativity and innovation!”



<http://blog.hreonline.com/2011/03/15/grappling-with-hrs-role-in-innovation-and-growth/> <http://www-935.ibm.com/services/c-suite/chro/study.html>

THAT SAID, A FEW HR PROFESSIONALS ...



**ARE DOING A GREAT JOB FOSTERING
AND FACILITATING INNOVATION
THROUGH PLANNING, SELECTION,
TRAINING, PERFORMANCE
MANAGEMENT AND COMPENSATION,
SUCH AS DUPONT, BELL LABS, VIRGIN,
GOOGLE, APPLE, WHIRLPOOL, P&G,
SAMSUNG, LG, NOVARTIS, SWATCH,
NESTLE, P&G, HUAWEI, GUINNESS**



SO IT CAN AND IS BEING DONE!



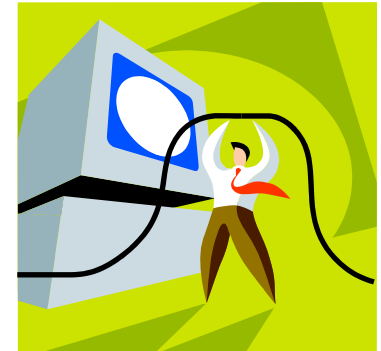
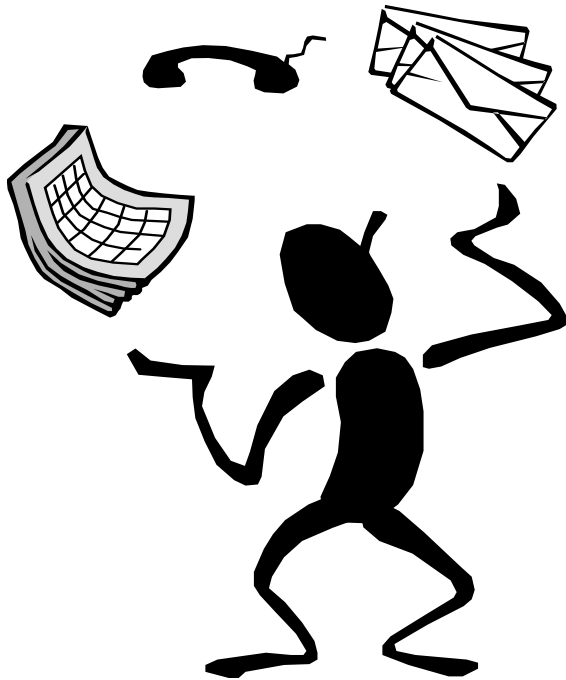


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- "Global Talent Management and global talent challenges: Strategic opportunities for IHRM," in Journal of World Business, October 2011b, with Susan Jackson and Ibraiz Tarique.*
- "Strategic Entrepreneurship: Creating Value for Individuals, Organizations and Society," Michael Hitt, Duane Ireland, David Sirmon and Cherly Trahms, Academy of Management Perspectives, June 2011: 57-75.*
- "A Players or A Positions"- Harvard Business Review- http://www.bhbassociates.com/docs/articles/2005_Huselid-Beatty-Becker_HBR_Paper.pdf*
- "Organizing for open innovation: Focus on the Integration of knowledge," M.W. Wallin and G. Von Krogh, in Organizational Dynamics, April 2010: 145-154.*
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- "The Firm, Human Capital, and Knowledge Creation," G. Von Krogh and M. W. Martin, in Oxford Handbook of Human Capital, 2012.*
- "Has Talent Management Something to Do with Talent?" C. Flippo and A. Ancelin-Bourguignon, paper presented at a GTM meeting of EURAM, Brussels, Apr 2012*
- "Fostering and Facilitating Entrepreneurship in Organizations with Human Resource Practices," R. Schuler, Human Resource Management Journal, Autumn 1986*
- "Six Principles of Effective Global Talent Mgmt," G. Stahl, I. Bjorkman, E. Farndale, S. Morris, J. Paauwe, P. Stiles, J. Trevor, and P. Wright, Sloan Mgt, Winter 2012*
- "Managing Knowledge for Sustained Competitive Advantage," S. Jackson, M. Hitt & A. DeNisi, Jossey-Bass, 2003*

APPENDICIES

THE FOLLOWING SLIDES ADDRESS RELATED ISSUES SUCH AS THE DEFINITION OF TALENT and COMPETENCIES



TALENT DEFINED: PART I

Talent is defined as the competencies and strategic competencies of current and future employees in relation to the firm's current and future strategies of the firm. "Having" talent thus means that a firm has the employees who possess the desired competencies and/or learning capabilities to gain the competencies and levels of engagement needed to achieve the firm's strategy.



<http://www.lums.lancs.ac.uk/media/cphr/view/resourcingbusinesschange/> ; See Celine Flipo and Annick Ancelin-Bourguignon, "Has Talent Management Something to Do with Talent?" Paper presented at EIASM, Brussels, April 12, 2012. This paper does an excellent job of describing the issues associated with using and defining the terms "talent" and "talent management."

TALENT DEFINED: PART II

- 1. Talent is thus different from performance, and is related to the person and not the position.**
- 2. In contrast, the terms “A” and “B” players refer to the performance of persons, who might perform better if they have more “talent.”**
- 3. Talent can relate to a few or many individuals.**

All Inclusive Approach to Strategic Talent

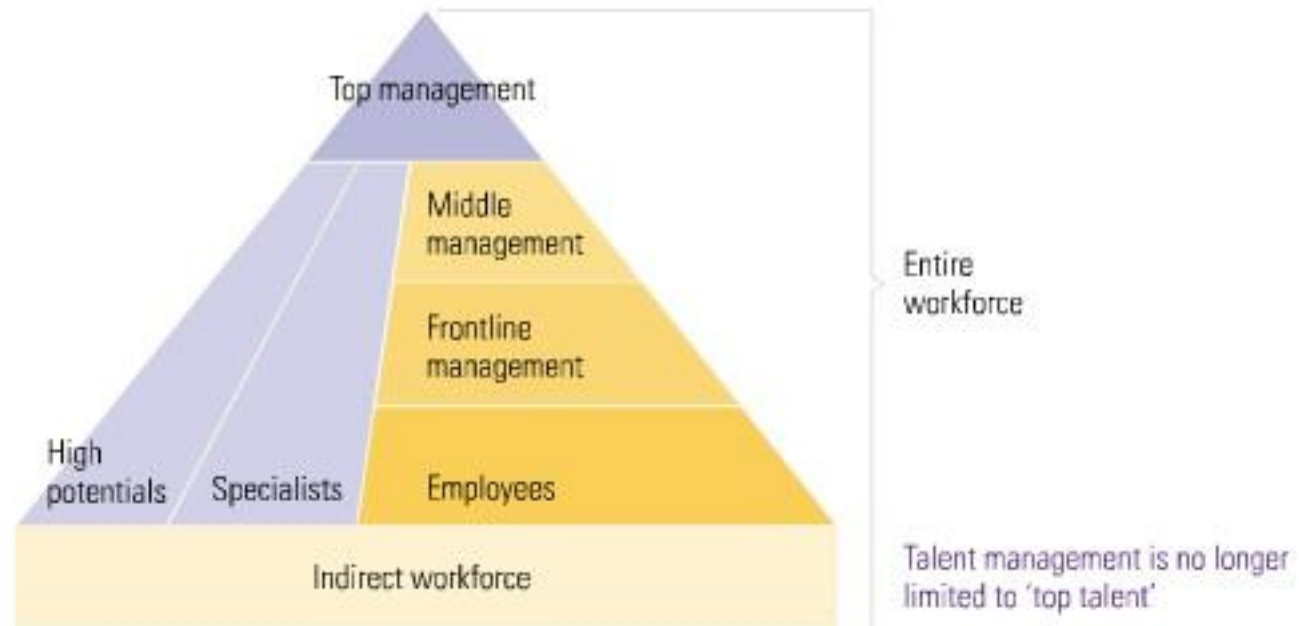
- Workforce is composed of multiple layers of talent each contributing to company's strategic goals and objectives: innovation initiatives should not be limited to only "top management" ("A" positions) or "top" talent ("A" players).
- All employees can contribute to innovation for their firms: Remember "Carlson's Law."
- Yet this approach does imply that an innovation strategy needs managing workforce diversity, thus multiple initiatives (EVPs) should be crafted for the entire workforce. This helps ensure attraction, retention and innovation.

<http://www.youtube.com/watch?v=sUUYfd4udYo> HR Head, ABB

<http://www.randomhouse.com/catalog/display.pperl/9780307460264.html><http://www.lums.lancs.ac.uk/media/cphr/view/resourcingbusinesschange/><http://www.nytimes.com/2011/10/30/business/lynn-blodgett-of-ac-s-on-entrepreneurship-in-a-big-company.html?pagewanted=all>



Workforce pyramid



Multiple Layers of Talent

http://www.mckinseyquarterly.com/Making_talent_a_strategic_priority_2092

"A" Players and "A" Positions

"A" Positions

- Have Strategic Impact
- Variability of Performance
- Critical impact on the formation of one or more of the strategic capabilities needed to execute the firm's strategy
- Can vary from call center to software engineer jobs depending on firm's strategy

"A" Players

- Make disproportionate contribution to success of company strategy
- Top performers in the company
- Provide significant value to the company
- Not easily replaceable

COMPETENCIES

Competencies are the knowledge, skills, abilities, attitudes, attributes, motivation, and other characteristics (e.g., personality, agility, perseverance, grit) and behaviors that are necessary to perform in their positions to the highest level.

See Celine Flipo and Annick Ancelin-Bourguignon, "Has Talent Management Something to do with Talent?" EISAM, April 2012

Top Management Support

Top management leadership and support are vital for an innovation strategy; but remember Carlson's law: 

<http://www.nytimes.com/2011/06/05/opinion/05friedman.html>

<http://www.strategy-business.com/article/11212?gko=75d9f&cid=20110609rr>



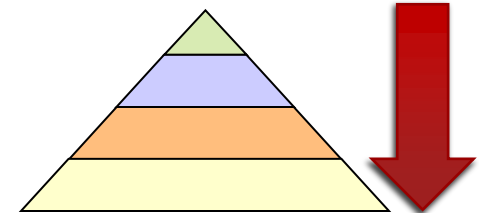
Top Management Support (cont'd)

“In a world where so many people now have access to education and cheap tools of innovation, innovation that happens from the bottom up tends to be chaotic but smart. Innovation that happens from the top down tends to be orderly but dumb.”

<http://www.nytimes.com/2011/06/05/opinion/05friedman.html>

Top Management Support (cont'd)

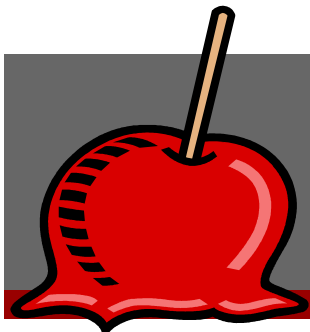
“As a result, the sweet spot for innovation today is “moving down,” closer to the people, not up, because all the people together are smarter than anyone alone and all the people now have the tools to invent and collaborate.”



<http://www.nytimes.com/2011/06/05/opinion/05friedman.html> <http://www.economist.com/>

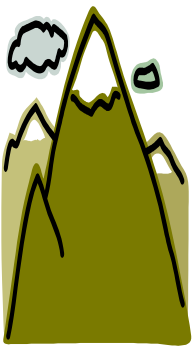
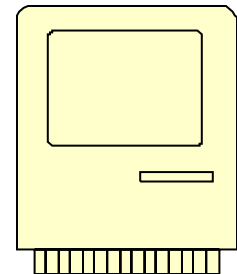
https://www.mckinseyquarterly.com/Strategy/Growth/Starbucks_quest_for_healthy_growth_An_interview_with_Howard_Schultz_2777

<http://www.strategy-business.com/article/11212?gko=75d9f&cid=20110609rr> <http://www.strategy-business.com/article/10410?pg=all>



The Apple model is more edited, intuitive and top-down. “It’s not the consumers’ job to know what they want.”

Steve Jobs, Co-founder, Apple



http://www.nytimes.com/2012/01/27/technology/apple-and-google-as-creative-archetypes.html?_r=1 Ying and Yang of corporate innovation using Apple and Google examples

➤ <http://www.fastcompany.com/magazine/165/steve-jobs-highlights> More thoughts from Steve Jobs

➤ <http://www.strategy-business.com/article/00109?gko=d331b&cid=20120424enews> The Steve Jobs Way

➤ *Steve Jobs*, Walter Isaacson (Simon and Schuster, 2011).

“When I think of the role HR plays in the organization, it’s really to ensure that our people practices drive the right behaviors to help our business outcomes.”

Karin Princivale, Sr. VP of HR for Medco



<http://www.hreonline.com/HRE/printstory.jsp?storyId=533343623>

<http://www.medcohealth.com/medco/corporate/home.jsp>

<http://blog.hreonline.com/2011/03/15/grappling-with-hrs-role-in-innovation-and-growth/> If it were easy, we would be doing it!

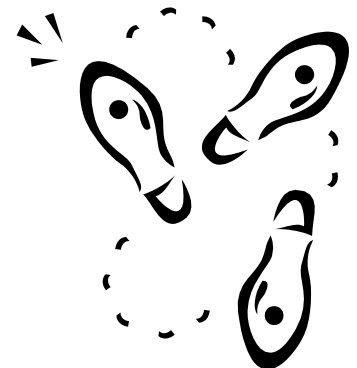


Recruitment and Selection Steps

**Selection steps/actions used by Google:
There are many, take a look:**

<http://www.youtube.com/watch?v=plmTgl2wUiY&feature=related>

<http://www.shl.com/us>



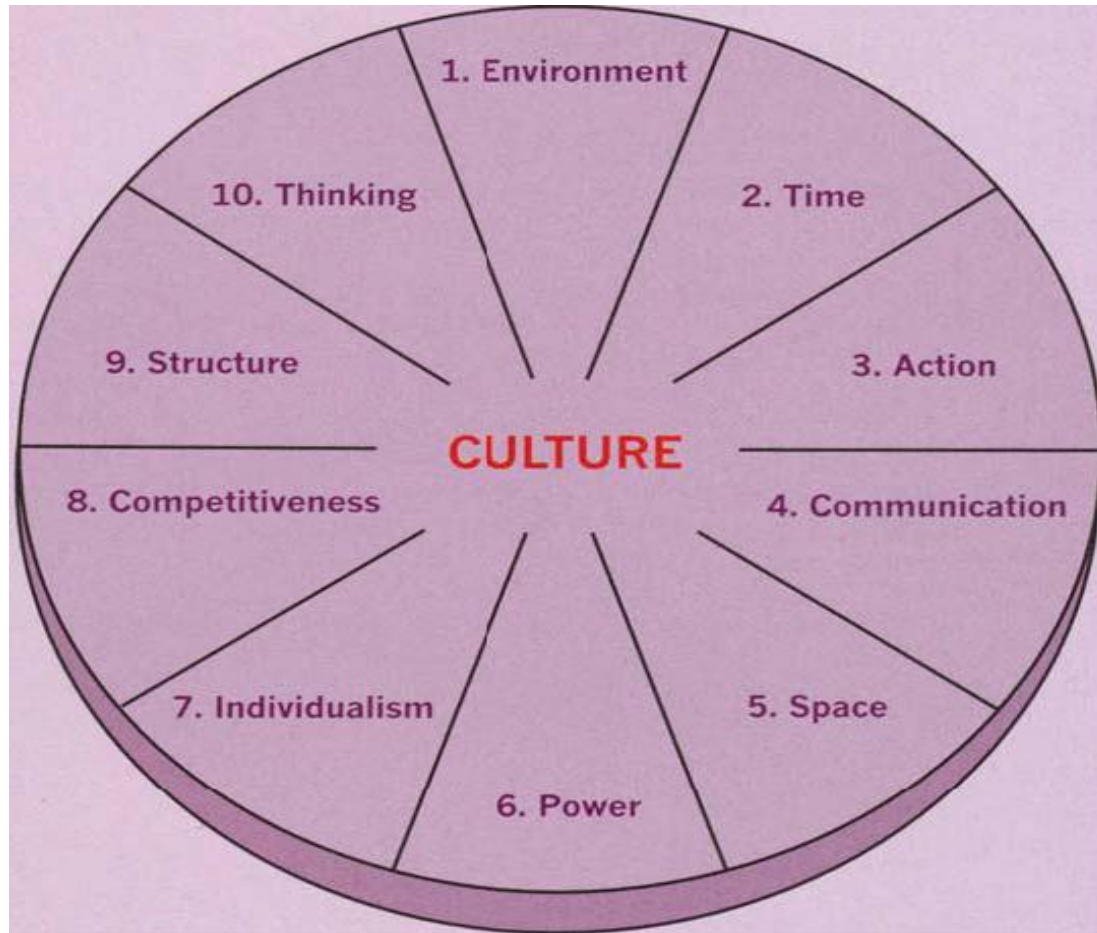


Job Design and Teams

INNOVATION TODAY IS ALMOST ALWAYS DONE IN TEAMS THAT ARE MULTINATIONAL, MULTILINGUAL, AND EVEN VIRTUAL. IN SUCH TEAMS TO WORK EFFECTIVELY YOU HAVE TO COMMUNICATE EFFECTIVELY.

<http://www.charlierose.com/view/interview/11879>

Training & Development



OBJECTIVES	EXCEEDED EXPECTATIONS	SUPERIOR RESULTS , 3.1 UNSATISFACTORY BEHAVIOUR	SUPERIOR RESULTS 3.2	EXCEPTIONAL PERFORMER 3.3
		Associate consistently contributes at a superior level of performance on all job objectives, however, performance falls be low expectations on Novartis values/behaviours.	Associate consistently contributes at a superior level of performance on all job objectives and also demonstrates the Novartis values/behaviours.	Associate consistently contributes at an exceptional level of performance on all job objectives and the Novartis values/behaviors Recognized as a role model both Within their group and in a wider population. Few associates achieve this level of performance.
	FULLY MET EXPECTATIONS	GOOD RESULTS , 2.1 UNSATISFACTORY BEHAVIOUR	STRONG PERFORMER 2.2	SUPERIOR BEHAVIOUR 2.3
		Associate fully meets expectations on all job objectives, however, performance falls below expectations on Novartis values/behaviours.	Associate fully meets expectations on all job objectives and the Novartis v alues/behaviours. This is a positive and fully acceptable level of performance.	Associate consistently demonstrates superior behavior and fully meets expectations on all job objectives.
	PARTIALLY MET EXPECTATIONS	UNSATISFACTORY PERFORMER 1.1	GOOD BEHAVIOUR , 1.2 UNSATISFACTORY RESULTS	SUPERIOR BEHAVIOUR , 1.3 UNSATISFACTORY RESULTS
		Associate performance falls considerably short in relation to job objectives and the Novartis values/behaviours despite repeated explanations /coaching.	Associate fully meets expectations on Novartis values/behaviors, however, performance on job objectives falls below expectations.	Associate consistently demonstrates superior behaviour, however, performance on job objectives falls below expectations.
		PARTIALLY MET EXPECTATIONS	FULLY MET EXPECTATIONS	EXCEEDED EXPECTATIONS
	NOVARTIS VALUES/BEHAVIOURS			

“TALENT SHORTAGE” WAS THE FIRST GTMC. NOW⁶⁹ THE NATURE OF THE ENVIRONMENTAL FORCES IS DIFFERENT:

- **GLOBALIZATION: MORE INTENSIVE AND EXTENSIVE; GLOBAL PRICES/WAGES/COSTS**
- **COMPETITIVE DYNAMICS: EMERGING MARKETS AND EMERGING CHALLENGERS; NEED FOR CONSTANT INNOVATION**
- **DEMOGRAPHICS: MORE; OLDER; LOWER ENGAGEMENT; GENERATIONAL DIFFERENCES**
- **WORKFORCE CHARACTERISTICS: WAGE DISPERSION; TALENT DISPERSION (GLOBAL); MORE DIVERSITY; MORE IMPORTANT**
- **CHANGING NATURE OF WORK: HYPERCONNECTED; FAST; OPEN; COLLABORATIVE; GLOBALLY DISPERSED, DIGITIZED; DATA BASED**

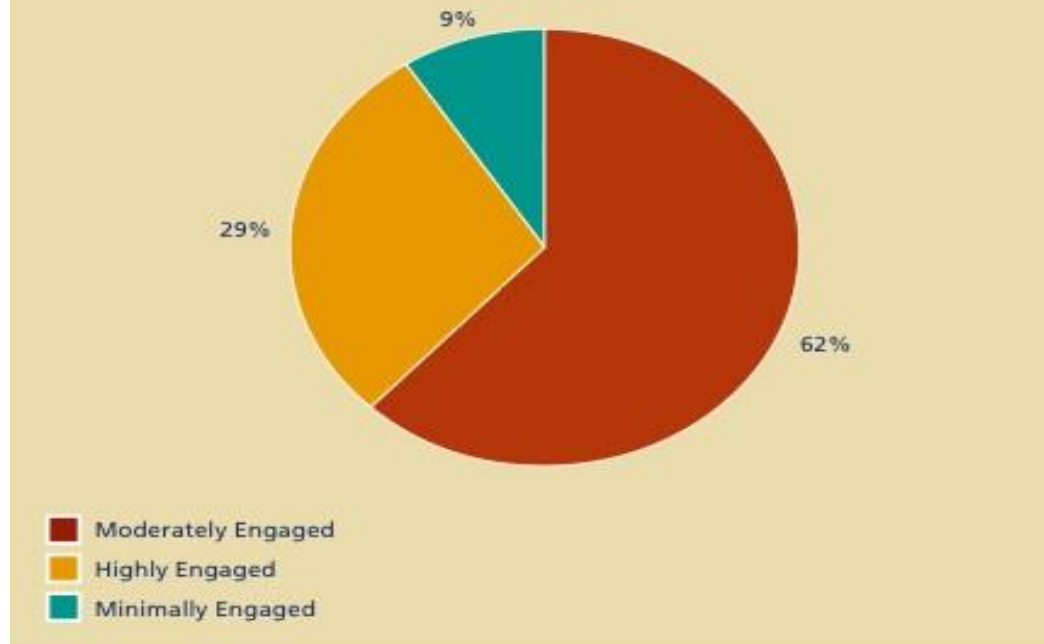
<http://www.research.hsbc.com/midas/Res/RDV?ao=20&key=ej73gSSJVj&n=282364.PDF>

http://www.mckinsey.com/aboutus/mckinseynews/knowledge_economy.asp <http://www.nytimes.com/2011/10/23/opinion/sunday/friedman-one-country-two-revolutions.html> https://www.mckinseyquarterly.com/The_second_economy_2853
https://www.mckinseyquarterly.com/Competing_through_data_Three_experts_offer_their_game_plans_2868

A MAJORITY OF EMPLOYEES WERE ONLY MODESTLY ENGAGED:

EMPLOYEES WERE ONLY
BE ONLY

Figure 9. To What Degree Current Workforce is Truly Engaged and Committed to Business Success? (Select One)



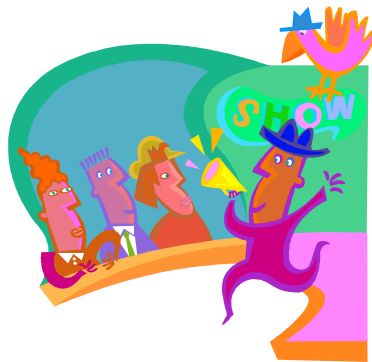
[https://www.mckinseyquarterly.com/Leaders_in_the_crisis McKinsey Global Survey Results 2422?pagenum=2](https://www.mckinseyquarterly.com/Leaders_in_the_crisis_McKinsey_Global_Survey_Results_2422?pagenum=2) http://www.blessingwhite.com/content/reports/BlessingWhite_2011_EE_Report.pdf



Compensation

Firms usually get the behaviors and results that are measured and rewarded, but employees want purpose, pride, mastery

http://www.youtube.com/watch?v=u6XAPnuFjJc&feature=results_main&playnext=1&list=PL53A8652CB899950A



Passion Football-Style

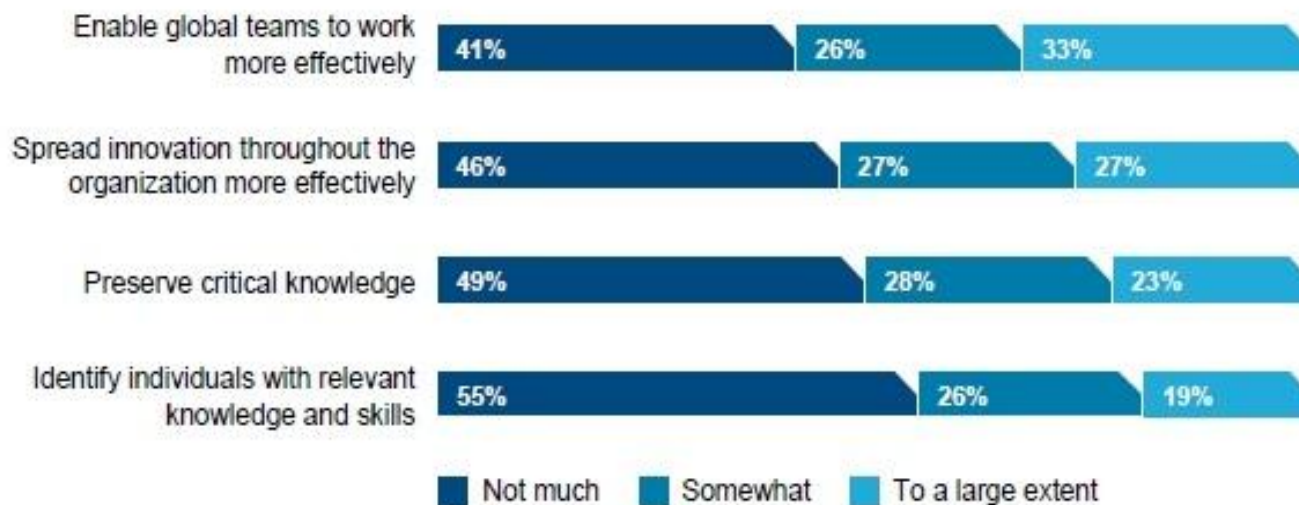
“Some people believe football is a matter of life and death. I can assure you that is it much, much more important than that.”

Scottish player, Bill Shankly

<http://www.nytimes.com/2012/06/16/opinion/germany-play-well-but-dont-win.html>

Less than a third of companies are regularly applying collaborative approaches to drive knowledge sharing and innovation

Uses for collaboration and social networking tools



"We are not as good at innovation as efficiency. The HR function should help to build an innovative culture, create forums, develop leaders and find ways to measure and reward innovation."

Veronica Rörsgård,
SVP HR, Skanska