

Claus, Lisbeth

Article

HR disruption: Time already to reinvent talent management

BRQ Business Research Quarterly

Provided in Cooperation with:

Asociación Científica de Economía y Dirección de Empresas (ACEDE), Madrid

Suggested Citation: Claus, Lisbeth (2019) : HR disruption: Time already to reinvent talent management, BRQ Business Research Quarterly, ISSN 2340-9436, Elsevier España, Barcelona, Vol. 22, Iss. 3, pp. 207-215, <https://doi.org/10.1016/j.brq.2019.04.002>

This Version is available at:

<https://hdl.handle.net/10419/261862>

Standard-Nutzungsbedingungen:

Die Dokumente auf EconStor dürfen zu eigenen wissenschaftlichen Zwecken und zum Privatgebrauch gespeichert und kopiert werden.

Sie dürfen die Dokumente nicht für öffentliche oder kommerzielle Zwecke vervielfältigen, öffentlich ausstellen, öffentlich zugänglich machen, vertreiben oder anderweitig nutzen.

Sofern die Verfasser die Dokumente unter Open-Content-Lizenzen (insbesondere CC-Lizenzen) zur Verfügung gestellt haben sollten, gelten abweichend von diesen Nutzungsbedingungen die in der dort genannten Lizenz gewährten Nutzungsrechte.

Terms of use:

Documents in EconStor may be saved and copied for your personal and scholarly purposes.

You are not to copy documents for public or commercial purposes, to exhibit the documents publicly, to make them publicly available on the internet, or to distribute or otherwise use the documents in public.

If the documents have been made available under an Open Content Licence (especially Creative Commons Licences), you may exercise further usage rights as specified in the indicated licence.



<https://creativecommons.org/licenses/by-nc-nd/4.0/>



COUNTER-INTUITIVE PERSPECTIVES

HR disruption—Time already to reinvent talent management



Lisbeth Claus

Management and Global Human Resources, Willamette University, Atkinson Graduate School of Management, 900 State Street, Salem, OR 97301, United States

Received 3 October 2017; accepted 17 April 2019

Available online 31 May 2019

JEL CLASSIFICATION

J24 human capital;
M10 business
administration
general

KEYWORDS

Talent management;
Disruption;
HR stack;
Design thinking;
Agile management;
Behavioral
economics;
HR analytics;
Global HR.

Abstract Rapid changes in demographics, technology and globalization have considerable global implications for work and the worker. This new context is also disrupting talent management as known for the last two decades. Progressive companies in all sectors realize that their talent management practices are no longer meeting the needs of their workers. Instead, employers focus their attention on developing a meaningful employee experience to attract and nurture the talent they need. A new breed of talent management practitioners is developing an HR stack that includes other management frameworks such as design thinking, agile management, behavioral economics and analytics to augment their HR competencies. Organizations will be unable to reinvent their existing talent management practices in a sustainable way unless they broaden the talent management conversation.

© 2019 ACEDE. Published by Elsevier España, S.L.U. This is an open access article under the CC BY-NC-ND license (<http://creativecommons.org/licenses/by-nc-nd/4.0/>).

Introduction

Imagine the future of work by considering the following talent management practices: a future worker applies for a job without a resume or curriculum vitae; machine learning

identifies and reaches out to passive candidates rather than recruiters; an employee is hired without being interviewed by a person; companies abolish their annual performance appraisal system; employees enjoy unlimited vacation and discretionary paid time off; email is considered passé as a work communication tool; an algorithm predicts who is likely to leave your company soon; customized employee benefits are paying off student loans or helping with employee

E-mail address: lclaus@willamette.edu

<https://doi.org/10.1016/j.brq.2019.04.002>

2340-9436/© 2019 ACEDE. Published by Elsevier España, S.L.U. This is an open access article under the CC BY-NC-ND license (<http://creativecommons.org/licenses/by-nc-nd/4.0/>).

transitions; and questions for an HR generalist are answered by a chatbot.

In reality, for progressive employers, the future is already here and constantly evolving. Undoubtedly, these talent management developments are not only shaking the traditional and established practice of HR they also creating a threat and/or opportunity for talent management. The talent management focus in HR is no longer a “war for talent” (Michaels et al., 2001). The war for talent suggests that company A hires a top-notch employee from company B and company B hires a top-notch employee from company A—a lose-lose situation. Current talent management has moved beyond this and the battle now is about how to engage and retain valuable employees by offering them compelling experiences at work. Talent acquisition, an integral part of talent management, is now being challenged to think differently about the recruitment and selection of workers. Once the person is on board, talent management becomes the organizational architect of the employee experience where the physical environment, technology and culture are integrated (Morgan, 2017) to produce a sustainability sweet spot (Savitz and Webber, 2006)—a win for the employer, the employee, and ultimately the customer.

The purpose of this paper is to apply knowledge from disciplines adjacent to HR and look at what talent management as currently practiced by progressive global employers can do—and indeed has done—to create a new talent management approach (perhaps no longer even called talent management or HR) and disrupt their current, already outdated, paradigmatic thinking. While this paper focuses on talent management, the proposed reengineering of talent management through the application of an HR stack applies to the broader field of HRM as well. This paper uses qualitative information gathered by the author through participant observation of innovative HR practices in Pacific Northwest companies (through her network of HR practitioners at the Global HR Consortium and IT Roundtable in the greater Seattle area) and her network of HR service providers through HR builders in Belgium. First, we define talent management and review its development. Second, we identify major drivers of the 4th industrial revolution and their ramification for talent management. Third, we propose a new talent management architecture and a matching “stack” of new talent management competencies to add value to organizations and reengineer talent management processes. Finally, we propose some broader issues that individuals, employers, and society need to explore and tackle with regard to the future of talent management.

Talent management

Talent management emerged in the world of HR practitioners about two decades ago (in the late 1990s) with ‘*The War for Talent*’ as its major impetus (Michaels et al., 2001). The talent management focus of HR was a global-local endeavor to ensure that the strategic choices and operational functional HR activities were geared at achieving a competitive advantage through people. Talent management as practiced by global and innovative firms came to be understood as “a set of sustainable organizational strategies that use human capital to the competitive advantage

of the organization, as well as a portfolio of integrated HR activities that result in putting the right people with the right competencies in the right job in the right place, and at the right cost” (Claus, 2013). Talent management encompasses both strategic and tactical elements and draws its applications from concepts and tools developed beyond HR in other management disciplines such as marketing, with a focus on employer branding, employee value proposition and employee segmentation (Michaels et al., 2001); management science with an emphasis on pivotal positions and yield curves (Boudreau and Ramstad, 2007); operations management focused on matching talent supply and demand while reducing uncertainties (Cappelli, 2008); strategy emphasizing strategic differentiation of the workforce (Becker et al., 2009); and global management using a globally integrated approach (Ready and Conger, 2007; Claus, 2013). By focusing on the acquisition and performance of talent (as opposed to transactional HR activities), talent management became the core of strategic HR practice.

Initially, academics considered talent management a fad or simply an alternative to staffing. As talent management became an everyday term in HR practice, academic researchers eventually sought to more systematically organize the literature stream and consider it an area of research. The academic discourse still largely views talent management as an ill-defined concept, lacking rigor and adequate empirical studies, that is mostly global in nature (Lewis and Heckman, 2006; Collings and Mellahi, 2009; Tarique and Schuler, 2010; Garavan, 2012; Sparrow and Makram, 2015; Gallardo-Gallardo and Thunnissen, 2016). Yet, the growing number of refereed journal articles shows that talent management is found to be worthy of academic research (Iles et al., 2010; Morley et al., 2015). This gap between practical and academic HR knowledge streams is not new and goes both ways (Cohen, 2007). HR practitioners largely fail to consider knowledge gained by academics and are ignorant and/or reluctant to incorporate evidence-based principles in the design, implementation and evaluation of their day-to-day practices. Academics tend to be somewhat removed from the real world and study phenomena that are perceived to have little practical relevance to practitioners—hence the low adoption rate of academic results in HR practice. Academics tend to view applied research as inferior to theoretical work, have a huge dose of skepticism toward real-life phenomena, and tend to label newer practical developments in the field, such as talent management, as fads. This produces a vicious cycle impoverishing both theory and practice. Ironically, when it comes to talent management, the gap may not need to be closed at all! The reason being that talent management is evolving very rapidly into a new paradigm shift as a result of the emergence of the 4th industrial revolution.

The 4th industrial revolution

The 4th industrial revolution is disruptive, shifting the role of HR as we know it, and affecting the current talent management paradigm. The driving forces of the current 4th industrial revolution are demography, technology, and globalization.

Demography

The population pyramids of the world's countries are rapidly changing and expected to do so even more dramatically in the future. The upward trend in longevity—from a world-wide life expectancy at birth of 52 years in 1960 to 72 years in 2015 (World Bank, 2017)—is registered in most countries due to tackling infant mortality, chronic diseases of middle age and beyond, and diseases of old age. As a result, a child born in the West today has a more than 50% chance of living to be over 105. The fact that people are living longer has important consequences for talent management. The major ramifications of the promise of this 100-year life is that the three-stage view of life common in the 20th century—a first stage of education, followed by a career, and then retirement—is no longer viable (Gratton and Scott, 2016). Another factor related to demography is the multi-cultural composition of the workforce and the increasing diversity of work teams. Diversity, inclusion, belonging, and support (DIBS) are increasingly important for workers. Employers realize that in order to attract and retain the necessary talent, an integral goal of talent management is to create a meaningful workplace where people can bring their true authenticity. These demographic changes also create a multi-generational workforce in which four diverse generations work together both side by side and virtually creating additional complexities and challenges (Grubb, 2017).

Technology

Technology as we know it today—artificial intelligence (AI), cloud computing, deep learning, global network platforms, machine learning and robotization—can be both exciting and scary as it is applied to work in general, and talent management in particular (Davenport and Kirby, 2015; Joerres, 2016). In many domains, AI is already (and surely will continue) outperforming humans on many given tasks, replacing the work done by people with algorithms, computers and robots (Hinssen, 2017). Technology is simply substituting jobs where tasks requiring cognitive or manual skills are routine in nature. Conservative estimates report that 47% of U.S. jobs fall in this category and will be disrupted by technology in the near future (Frey and Osborne, 2013). It is estimated that 60% of all occupations have at least 30% of activities that are technically automatable (Chui et al., 2015). Much of human labor has the potential to be displaced by technology because work tends to flow to where it can be done in the most efficient and cost-effective way. Employers seem all too eager to replace people by these non-human workers as computers are technically more predictable in decision-making, have no inherent unconscious bias, are more reliable than people, can operate 24/7, and do not need any benefits! Of course, AI is not expected to fully replace people as certain tasks requiring empathy, creativity, planning and “cross-domain” thinking are poorly suited for complete technology take-over (Kai-Fu-Lee, 2017). Still, the impact of technology and AI is real. Technology has led to a phenomenon called the “hollowing out of work” or jobs becoming concentrated either at the low-skill or the high-skill levels—at different ends of the skills spectrum—but not in the middle (Gratton and Scott, 2016). Information

technology has also enabled the creation of a gig economy where people work on short-term contracts as freelance or contract workers, as opposed to employees.

Even talent management, as a set of workflows and tasks, is affected by AI! Many of the transactional HR activities are ripe for disruption by technology. In addition, evidence-based talent management decisions require more and more data on an individual basis in real time to find out what employees really care about right now. Tapping into this ambient people data in order to make predictive statements about the workforce is becoming an integral part of the new talent management order.

Globalization

Globalization is constantly evolving and being redefined as well (Freska and Claus, 2013). The tension between globalization and de-globalization is now more acute than ever before. The rise of populism (as exemplified by Brexit), the election results in various democratic societies, the power of autocratic leaders, and the threat of terrorism are creating a new world order in which individual national ways of doing things are superseding the more unified global way of working together across nations through political, commercial, and human diplomacy that was the *modus operandus* at the turn of the 21st century. The current world context is held responsible for the dark side of globalization: growing inequality, unemployment, underemployment and increased global mobility due to forced migration.

Talent management disruption challenges

The 4th industrial revolution has created dynamic and complex changes creating talent management challenges at different levels.

Micro level talent management challenges

Workers are pressured by the move to a shared economy, the untethering of work from a physical location, the displacement of human labor by technology, and growing demands for diversity, inclusion, and belonging (The Global Risk Report, 2017). The new economy has led to revised classifications of work and the labor force, juxtaposing the direct full-time employment model to contingent work and an increasingly wide range of alternative work arrangements growing both in type and in size (Cappelli and Keller, 2003). These changes are making workers feel “overwhelmed” (Unankar et al., 2014). Perhaps it is no wonder: workers are digitally connected 24/7, fearful at the prospect of a longer working life, disengaged, and their labor productivity has not really increased over the past 20 years. As their employment status shifts from gainful employment by a company to multiple independent and less secure worker modalities, they are forced to change careers due to (in)voluntary disruptions or setbacks, constantly needing to re-create themselves, and build a greater resilience into their career journey. Workers, especially the millennials generation, are increasingly looking for flexibility and to the gig/freelance economy for work, leaving stifling corporate jobs where they

felt trapped, overworked, demotivated and unappreciated (Clapon, 2016).

Meso level talent management challenges

Each industrial revolution required change and adaptation at the organizational level. Jacob Morgan summarized the focus of employers through subsequent industrial revolutions. The 1st industrial revolution (ca 1760–1840) was all about “utility” and what employees needed to have to be able to work. The 2nd industrial revolution or technological revolution (ca 1870–1914) focused on “productivity” of the worker and what they needed to work better and faster. The 3rd industrial revolution (since the 1980s) and the advent of the knowledge age focused on employee “engagement” and making employees happy so they could perform better and be more productive. The current 4th industrial revolution is about the employee “experience” and creating organizations where people want to show up and contribute (Morgan, 2017). Just as in the past, when HR evolved from personnel management to strategic human resource management—and subsequently talent management—an industrial revolution is again disrupting the current talent management practices. The 4th industrial revolution is paving the way for a more progressive talent management in the future—provided HR can respond to the disruption challenges in a timely and appropriate fashion.

Macro level talent management challenges

At the macro societal level, government and governance systems are already strained and further threatened by the global risk context (The Global Risk Report, 2017). The strains are due to demographic pressures of the 100-year life, the lingering impact of the global economic downturn, persistent low interest rates, the mass migration of labor, the insufficiency of social security systems, the hollowing out of work, and the call for universal guaranteed income.

The new HRM architecture

Paradigm shifts do not necessarily abolish some of the true and proven best practices of the old thinking—provided they still add value—but instead radically change the discourse. Let’s illustrate this with an analogy of the half-empty/half-full glass when it comes to the evolving HR and talent management practices. Traditional HR focuses on transactional activities mainly related to compliance and operational issues (glass half-empty). This type of HR practice can still be observed in many organizations worldwide—typically in small companies with HR departments staffed primarily with administrative personnel. Strategic talent management designs and optimizes processes to serve the competitive human capital needs of the organization as the primary HR customer (glass half-full). As the context is changing dramatically today, there is a need to rethink HR’s value proposition once again and redesign talent management—to fill the half-full glass yet again, this time to capacity (or all the way to fullness) by focusing on

the employee/worker customer experience and looking for the sweet spot where talent management practices are good for both the worker AND the employer. That’s what a new talent management architecture in progressive companies is all about.

The new personalized and customized talent management architecture is simple, authentic, responsive and transparent. The new talent management value proposition is evolving from talent acquisition—grounded in policies and procedures—to designer or architect of worker experiences. Building a new organizational talent management architecture involves a great deal of thinking to design a productive and meaningful experience in the physical, technological and cultural environment of our companies through solutions that are compelling, enjoyable, simple and customized for different employee personas. HR and talent management must get away from a “one program fits all” mentality and think about building an organizational talent architecture that allows customizing programs to specific employee segments. The architecture is all about creating an employee experience through HR solutions that are at the intersection of the need and expectations of the employees and the talent requirements of the organization. Yet, HR and talent management must still meet existing requirements in terms of being legally compliant, culturally appropriate, equitable, and fair. The true talent management challenge is about a commitment to truly make a difference in the life of organizations and their talent—whether they are employees or part of the larger contingent workforce.

The HR stack

HRM must change inside to respond to demands for solutions outside. The current disruption calls for reengineering existing talent management. Reengineering requires rethinking the way work is done to better fit customer needs and add value to the organization (Hammer and Chompy, 1993). Reengineering requires augmentation of the body of talent management body of knowledge—both the traditional transactional HR expertise and the more strategic HR talent management professional knowledge—with a stack of know-how and skills from other management-related disciplines outside of HR. The term stack—borrowed from IT—is applied to talent management with a special meaning as a collection of technologies and solutions that can be used to manage the people processes across an organization (Gorman, 2015). The HR stack relates to a number of management disciplines adjacent to the professional HR body of knowledge that now provide a new stack of knowledge and tools that allow progressive companies to design the new talent management architecture. Designing this new architecture requires a new breed of global HR practitioners who supplement, literally stack up, other related management concepts and tools previously ignored in HR. These concepts and tools include: design thinking (strategy); agile management (project management); behavioral economics (at the intersection of psychology and economics); and analytics (data analysis and management sciences).

Design thinking

Design thinking is a process for creative problem solving. It is about applying the principles of design to the way people work (Kolko, 2015). In business organizations, design thinking balances analytical mastery and intuitive originality in a dynamic interplay and creates advances in both efficiency and innovation (Martin, 2009; Brown, 2008; Brown and Martin, 2015). Design thinking uses mainly abductive reasoning—namely, to posit what could possibly be true and “actively look for data points, challenge accepted explanations and infer possible new worlds” (Martin, 2009).

Talent management can apply design thinking to improve the employee experience as a user and consumer of HR processes, products and services. When design thinking is applied to talent management, three key principles apply: namely, “empathize”—understand the workforce and the problems they face; “envision”—generate a variety of options and shape them into solutions; and “experiment”—test potential solutions with real customers, and refine them with data and feedback (Mazur et al., 2017). By discovering what people really need, talent management can devise breakthrough solutions that go beyond the obvious and rapidly design, build, and test prototypes to make things better. Design thinking allows talent management to better understand the employee experience—of potential candidates and existing employees—and redesign these employee experiences at the various touchpoints with the organization, rather than focusing on the process itself. One of the hallmarks of design thinking is simplicity: reducing unnecessary workplace complexity, and designing employee solutions that are compelling, enjoyable, and simple (Bersin et al., 2016). A design-centric culture focuses on the emotional user experience, creates models to examine complex problems in the workplace, uses prototypes to explore potential solutions, tolerates failure and exhibits thoughtful restraints about what the value proposition should be (Kolko, 2015).

Design thinking tools applied to talent management are experience mapping (observing the behavior of people to identify their actual experiences and needs), touchpoint simplification: (improving the emotional point of contact between the employee, HR and the organizations) and rapid prototyping (brainstorming, creating, testing and communicating a model of something to be developed and refined further).

Employee experience mapping

Employee experience mapping compares the experience of employees with the customer journey in marketing. Mapping charts the complete experience that an employee has when interacting with an organization during their life cycle as an employee (before, during, and after). There are several best practices for building an employee experience or journey map (O’Connor, 2016; Risdon, 2011). The development of the employee experience map requires both qualitative and quantitative data. The qualitative insights for the employee experience map are collected by conducting in-depth interviews with employees and gathering user stories from different employee personas or roles. The quantitative data come from ambient employee data the employers owns

and self-reported data by employees through engagement or pulse surveys. In developing such an employee experience map, it is possible to juxtapose how HR thinks about its product and services in terms of delivery processes with how employees experience talent management processes at various touchpoints.

Touchpoint management

Touchpoints are the emotional points of contact the employee has with the organization whether through structures, systems or people. Once an employee experience map has been designed, it is critical for the talent management team to develop an inventory of all the talent management touchpoints the employee has with the processes, products and services that HR provides and through which channels (virtual or f2f) these touchpoints are experienced. These touchpoints are experienced either positively by employees or they are viewed negatively as pain points. HR can provide a seamless set of services that enables work productivity and improves the overall employee experience and handles all the touchpoints with people (managers, HR, co-workers), tools, systems, policies and procedures—from the employee’s point of view rather than from the talent management process and delivery perspective. Since employees are likely to experience the various touchpoints somewhat differently based on different clusters of wants and needs related to their personas, it is necessary to use the lens or overriding filter through which a particular persona is viewing the employee journey.

Rapid prototyping

Design thinking uses prototypes to explore possible solutions (Kolko, 2015). Rapid prototyping is a form of experimentation where a preliminary rough original model—representing the embodiment of an idea—is built quickly to allow questions to be asked and choices to be made. It is a minimally viable product that represents the least amount of effort to run an experiment and get feedback (Kelley and Kelley, 2013). Designing these prototypes in various iterations is a social rather than a personal activity and has been referred to as “serious play” (Shrage, 2014). Rapid prototyping is a design technique that can be used by the talent management team to develop innovative customer-centric services for their employees and to pilot and refine them for wider deployment.

Agile management

Work has shifted from processes (a recurring set of routine tasks) to projects (initiatives that have a beginning and an end). Far more work is done in team configuration in network-based and flatter organizational structures leaving greater control over their work and empowerment to employees. The talent management team is constantly working across borders to execute projects. The rapidly changing context requires these projects to be done in an agile manner. Agile management is an incremental method of managing a project in a highly transparent, flexible and interactive manner using self-organized teams with very little upfront planning. While traditional waterfall project management tools and techniques are perfectly

suited to support projects that are massive, predictable, and experience-based, agile project management is more appropriate for smaller, unpredictable and innovative projects. Agile methodologies, first adapted in IT software development, are now being applied to general management and have great multiple applications (Rigby et al., 2016). Exemplars of some agile concepts and tools are project charter, personas, user stories, SCRUM teams, product backlog, sprints, stand-up meetings, and sprint retrospectives (Rose, 2015; Canty, 2015). HR can not only use these tools to run its own talent management department and augment the employee experience, but can also ensure that the teams and managers in their organizations understand the applicability of agile management in their work—the opportunities as well as the limitations—and have the necessary competencies to be on-boarded on such teams.

Behavioral economics

Behavioral economics is a strand of heterodox economics—combining psychology and economics. In the conventional economic model, people act as rational agents in decision-making. The fundamental tenets of economic rationality (tendency to equilibrium, exogenous shocks, individual rationality, and systemic consistency) are challenged by behavioral economists because people act as humans—thinking automatically—rather than economic actors or econs—thinking reflectively (Silim, 2017; Thaler and Sunstein, 2008). At the basis of behavioral economics are two cognitive systems or modes of thinking (System I and System II) (Kahneman and Tversky, 1983; Kahneman, 2011). System I thinking is automatic, fast/rapid/quick, intuitive, instinctive, gut reaction, little or no effort, uncontrolled, unconscious, skilled and associative thinking (Tversky and Kahneman, 1974). Conversely, System II thinking is reflective, slow, rational, self-conscious, conscious thought, deliberate and effortful mental activity, controlled, self-aware, rule-following, deductive or inductive thinking (Thaler and Sunstein, 2008). Instead of pure rationality, human behavior is 'bounded' by three traits: rationality (bounded due to constraints in our capacity to think, available information and time), willpower (people take actions that they know to be in conflict with their long-term interests) and self-interest (people are often willing to sacrifice their own self-interest to help others). (Mullainathan and Thaler, 2000).

Talent management policies, practices, and programs should be designed to reflect these three psychological principles by being aware of the roots of our judgments (bounded rationality), nudging people (bounded willpower) and leveraging intrinsic motivation (bounded self-interest) (Guszcza et al., 2016). Behavioral economics in talent management can help reduce unconscious biases in decision-making by paying attention to heuristics (such as anchoring, availability and representativeness), developing choice architecture (organizing the context in which people make decisions and allow them to make better ones), and nudging employees in a wide realm of talent management areas to make more appropriate decisions for themselves and the organization.

HR analytics

Creating value with HR/people analytics requires organizations to be able to support talent management decisions with data and measure the efficiency, effectiveness and impact of HR practice (Boudreau and Ramstad, 2007). HR analytics uses a variety of HR, organizational, and external data for the benefit of both meeting employee needs (soft HRM) as well as strategic decision-making (hard HRM) by organizing, analyzing and presenting that data in a meaningful way and giving it predictive power through the application of statistical techniques (Claus et al., 2015). Analytics requires that talent management can formulate relevant research questions to be tested. A start-to-finish HR analytics roadmap follows four distinct phases: (1) scope the project—identify a feasible HR analytics project; understand the capabilities of the organizational data; link the project to organizational objectives; identify the research question and design, and identify the type and source of data required; (2) assemble the team—identify the core team with analytics interests and competencies, identify the stakeholders and decision-makers, and energize followers to understand the importance and limitations of data; (3) manage the data—acquire the data, protect the data, analyze the data, interpret the data, and present the results in a visual manner; and (4) take strategic action—present and discuss evidence-based results to stakeholders, suggest managerial action, participate in evidence-based decision-making and evaluate HR and organizational impact (Claus et al., 2015). Examples of the use of analytics in talent management are data mining (extracting and examining data from large databases); sentiment analysis (replacing engagement surveys with pulse surveys or text analytics); and controlled tests such as A/B testing (comparing two variants to see which modality performs better).

The new talent management conversation

A new conversation is evolving focusing on needed societal interventions, shared responsibility, and coordination at various levels—employees, employers, and broader society. This is likely one of the biggest challenges facing talent management challenges (Hagel et al., 2017).

Talent management at the employee level

The hollowing out of work has created a large gap between the working poor (usually less educated) and the rest of the workforce. At the individual level, workers along the competency spectrum will need to plan for a much longer life span with many career and life transitions. They will have to be prepared for more uncertain employment prospects, be able and willing to take care of themselves and build more resilient work-life scenarios. Gratton and Scott lay out the requirements for the continued development of the tangible assets (financial planning, work, home and life balance, lifestyle) and intangible assets (productive, vitality and transformational assets) that individuals need for longevity (Gratton and Scott, 2016).

Talent management at the employer level

Talent management strategies have focused on the competitive advantage of the firm rather than the experience of the employee as an internal customer. Throughout the development of talent management, it is often unclear who the HR customer really is. Granted, HR has many stakeholders (the employee, management, employer, unions, community, government, etc.). Yet, in a worker's mind—especially millennials—the pendulum is perceived to have swung toward the employer. To counteract these perceptions held by talented workers, progressive HR organizations are reinventing talent management and making a difference in the lives of both employers and employees.

The “new” and “reinvented” talent management approach focuses on agility, customized solutions, letting go of control, and finding the sustainability sweet spot. Reinvented talent management deals change and complexities rather than ignoring them and/or focusing on the status quo. While they engage in the day-to-day talent management transactions that are necessary for talent acquisition and retention, they are ready for a fast-changing environment and develop organizational agility to tackle new problems created by workforce shifts. Reinvented talent management designs creative and customized solutions and uses design thinking to craft meaningful experiences for their workers independent of their employment status. Reinvented talent management is willing to throw out the command and control rulebook of HR policies and procedures to experiment, reengineer, and test new solutions that meet the needs of all stakeholders. Reinvented talent management focuses on the sustainability sweet spot and creates HR solutions that are at the intersection of the collective needs and expectations of the organization, the employee and the customer.

Talent management at the societal level

Talent management conversations at the societal level can counterbalance the vulnerability of the individual worker against the employer's desire to optimize productivity and labor efficiencies. There is a lag between the social, ethical, and regulatory norms and institutions and the current talent management context. The legal and regulatory environment, institutions (e.g., benefits, social security, income taxation, welfare, privacy protection, education and life-long learning, etc.) and the social norms (e.g., the value of work, career paths, work transitions, etc.) need to adapt and be reformed to close the gaps—or even perhaps be completely reinvented. A number of proposals are at the core of these societal labor economics discussions such as a robot tax, universal guaranteed income, and the development of new learning and educational models.

A robot tax to slow down the effects of robotization would require employers who replace employees with robots to pay a tax. These funds are then used to assist displaced workers and minimize the effects of job loss created by replacing humans with robots. Universal guaranteed income is “a regular income paid in cash to every individual member of society irrespective of income from other sources and with no strings attached.” It is a means to reduce the growing inequality between those who have and do not

have work. It is different from social insurance and public assistance welfare schemes by providing a basic floor of support on which an individual can stand unconditionally (Van Parijs and Vanderborght, 2017). New learning and educational models that would better prepare workers with the skills that employers need are also part of the societal conversation. The current educational model (and especially higher education) is based on older labor models and lacks the agility to produce a workforce with the skill level that meets the current and (largely unpredictable) future needs of employers. Educational institutions can provide a combination of both liberal education—developing critical thinking and life-long learning capabilities—and professional education—the specialized and agile skill set required for work productivity. Such learning will need to be life-long over a person's life cycle.

Conclusions

Driven by demographics, technology and globalization, the 4th industrial revolution has truly transformed work with tremendous implications for the worker. It presents a unique set of opportunities and challenges for HR to reinvent and reengineer talent management. While progressive companies are currently adopting an augmented HR stack, this response is likely to be short-lived as work models continue to shift rapidly. The only certainty is that the future of HR talent management will hold yet more disruptions. Academic researchers can support the professional talent management practice by identifying, anticipating, and researching trends that impact the acquisition and performance of talent.

References

- Becker, B.E., Huselid, M.A., Beatty, R.E., 2009. *The Differentiated Workforce*. Harvard Business Press School, Boston.
- Bersin, J., Solow, M., Wakefield, N., 2016, February 29. Design Thinking: Crafting the Employee Experience, <https://dupress.deloitte.com/dup-us-en/focus/human-capital-trends/2016/employee-experience-management-design-thinking.html> (accessed 1.6.17).
- Boudreau, J.W., Ramstad, P.M., 2007. *Beyond HR: The New Science of Human Capital*. Harvard Business School Press, Boston.
- Brown, T., 2008. Design thinking. *Harvard Bus. Rev.* 86 (6), 84–92.
- Brown, T., Martin, R., 2015. Design for action: how to use design thinking to make great things actually happen. *Harvard Bus. Rev.* 93 (9), 56–64.
- Canty, D., 2015. *Agile for Project Managers*. Boca Raton, CRC Press.
- Cappelli, P., 2008. Talent management for the twenty-first century. *Harvard Bus. Rev.* 86 (3), 74–78.
- Cappelli, P., Keller, J.R., 2003. *Classifying work in the new economy*. *Acad. Manage. Rev.* 38 (4), 575–596.
- Chui, M., Manyika, J., Miremadi, M., 2015, November. Four Fundamentals of Workplace Automation. McKinsey Quarterly, <http://www.mckinsey.com/business-functions/digital-mckinsey/our-insights/four-fundamentals-of-workplace-automation> (accessed 16.6.17).
- Clapon, P., 2016. Your guide to employee experience mapping, <http://www.gethppy.com/employee-engagement/guide-employee-experience-mapping> (accessed 9.5.17).

- Claus, L., 2013. Global talent management: an overview. In: Lisbeth Claus (Ed.), *Global HR Practitioner Handbook*, vol. 1. Global Immersion Press, Silverton, pp. 117–137.
- Claus, L., Baker, S., Ely, J., 2015. Global HR analytics: making grounded talent management decisions for the global organization. In: Lisbeth Claus (Ed.), *Global HR practitioner handbook*, 3. Global Immersion Press, Silverton, pp. 5–33.
- Cohen, D.J., 2007. The very separate worlds of academic and practitioner publications in human resource management: reasons for the divide and concrete solutions for bridging the gap. *Acad. Manage. J.* 51 (5), 1013–1019.
- Collings, D.G., Mellahi, K., 2009. Strategic talent management: a review and research agenda. *Hum. Resour. Manage. Rev.* 19 (4), 304–313.
- Davenport, T.H., Kirby, J., 2015. Beyond automation: strategies for remaining gainfully employed in an era of very smart machines. *Harvard Bus. Rev.* 93 (6), 58–65.
- Freska, A., Claus, L., 2013. The new global context: is the world really flat? In: Lisbeth Claus (Ed.), *Global HR Practitioner Handbook*, vol. 1. Global Immersion Press, Silverton, pp. 5–15.
- Frey, C.B., Osborne, M.A., 2013. The future of employment. How susceptible are jobs to computerisation?, <http://dx.doi.org/10.1016/j.techfore.2016.08.019>.
- Gallardo-Gallardo, E., Thunnissen, M., 2016. Standing on the shoulders of giants? A critical review of empirical talent management research. *Empl. Relat.* 38 (1), 31–56.
- Garavan, T.N., 2012. Global talent management in science based firms: an exploratory investigation of the pharmaceutical industry during a global downturn. *IJHRM* 23 (12), 2428–2449.
- Gorman, C., 2015, July 15. What's the Best Mix of Technologies for HR to Manage an Organization? TLNT, Talent Management and HR, <https://www.eremedia.com/tlnt/whats-the-best-mix-of-technologies-for-hr-to-manage-an-entire-organization/> (accessed 30.7.17).
- Gratton, L., Scott, A., 2016. *The 100-Year Life: Living and Working in the Age of Longevity*. Bloomsbury, London.
- Grubb, V.M., 2017. *Clash of the Generations: Managing the New Workplace Reality*. John Wiley & Sons, Hoboken.
- Guszcza, J., Bersin, J., Schwartz, J., 2016. HR for Humans: How Behavioral Economics can Reinvent HR. Deloitte Review, p. 18. <https://dupress.deloitte.com/dup-us-en/deloitte-review/issue-18/behavioral-economics-evidence-based-hr-management.html> (accessed 5.7.17).
- Hagel, J., Schwartz, J., Bersin, J., 2017. Navigating the future of work: can we point business, workers and social institutions in the same direction? Deloitte Rev. 21, <https://dupress.deloitte.com/dup-us-en/deloitte-review/issue-21/navigating-new-forms-of-work.html?id=us:2em:3na:dup3944:awa:cons:080317> (accessed 5.7.17).
- Hinssen, P., 2017. *The Day After Tomorrow: How to Survive in Times of Radical Innovation*. Tielt, Lannoo.
- Joerres, J., 2016. Globalization, robots, and the future of work: an interview with Jeffrey Joerres. *Harvard Bus. Rev.* 94 (10), 74–79.
- Iles, P., Preece, D., Chuai, X., 2010. Talent management as a management fashion in HRD: towards a research agenda. *HRDI* 13 (2), 125–145.
- Kahneman, D., Tversky, A., 1983. Choices, values and frames. *Am. Psychol.* 39 (4), 341–350.
- Kahneman, D., 2011. *Thinking Fast and Slow*. Penguin Group, London.
- Lee, K.F., 2017, June 24. The Real Threat of Artificial Intelligence. NYT, <https://www.nytimes.com/2017/06/24/opinion/sunday/artificial-intelligence-economic-inequality.html> (accessed 26.6.17).
- Kelley, T., Kelley, D., 2013. *Creative Confidence: Unleashing the Creative Potential Within Us All*. Crown Business, New York.
- Kolko, J., 2015. Design thinking coming of age: the approach once used primarily in product design, is now infusing corporate culture. *Harvard Bus. Rev.* 93 (9), 66–69.
- Lewis, R.E., Heckman, R.J., 2006. Talent management: a critical review. *Hum. Resour. Manage. Rev.* 16 (2), 139–154.
- Martin, R., 2009. *The Design of Business: Why Design Thinking is the Next Competitive Advantage*. Harvard Business Review Press, Boston.
- Mazur, A.H., Zucker, J., Sivak, M., Coombes, R., Van Durme, Y., 2017. Reimagine and Craft the Employee Experience: Design Thinking in Action. Deloitte Development LLC, <https://www2.deloitte.com/content/dam/Deloitte/be/Documents/consulting/Deloitte%20-%20Reimagine%20&%20Craft%20Employee%20Experience%20-%20Design%20Thinking%20in%20Action%20POV.pdf> (accessed 1.8.17).
- Michaels, E., Handfield-Jones, H., Axelrod, B., 2001. *The War for Talent*. Harvard Business Press, Boston.
- Morgan, M., 2017. *The Employee Experience Advantage*. John Wiley & Sons, Hoboken.
- Morley, M., Scullion, H., Collings, D.G., Schuler, R.S., 2015. Talent management: a capital question. *Eur. J. Int. Manage.* 9 (1), 1–8.
- Mullainathan, S., Thaler, R.H., 2000. Behavioral economics. NBER working paper series, Cambridge, <http://www.nber.org/papers/w7948.pdf> (accessed 19.9.17).
- O'Connor, N., 2016. How to build an experience map, <https://medium.com/@wnialloconnor/how-to-build-an-experience-map-5e55b7ee4f32> (accessed 1.9.17).
- Ready, D.A., Conger, J., 2007. Make your company a talent factory. *Harvard Bus. Rev.* 85 (6), 68–77.
- Rigby, D.K., Sutherland, J., Takeuchi, H., 2016. Embracing agile: how to master the process that's transforming management. *Harvard Bus. Rev.* 94 (5), 41–50.
- Risdon, C., 2011. The anatomy of an experience map, <http://www.adaptivepath.org/ideas/the-anatomy-of-an-experience-map/> (accessed 25.7.17).
- Rose, D., 2015. *Leading Agile Teams*. Project Management Institute, Newtown Square.
- Savitz, A.W., Webber, K., 2006. *The triple bottom line. How today's best-run companies are achieving economic social and environmental success—and how you can too*. Jossey-Bass, Hoboken.
- Shrage, M., 2014. *Serious Play: How the World's Best Companies Simulate to Innovate*. Harvard Business Press, Boston.
- Silim, A., 2017, April 25. What is new economic thinking? Three strands of heterodox economics that are leading the way. Economics, <http://economics.com/new-economic-thinking/> (accessed 20.6.17).
- Sparrow, P.R., Makram, H., 2015. What is the value of talent management? Building value-driven processes with a talent management architecture. *Hum Resour. Manage. Rev.* 25 (3), 249–263.
- Tarique, I., Schuler, R.S., 2010. "Global talent management: literature review, integrative framework, and suggestions for further research. *J. World Bus.* 45 (2), 122–133.
- Thaler, R., Sunstein, C.S., 2008. *Nudge: Improving Decisions about Health Wealth and Happiness*. Penguin Books, New York.

- The Global Risk Report 2017, 12th ed. World Economic Forum Risk Perception surveys, 2016. http://www3.weforum.org/docs/GRR17_Report_web.pdf (accessed 10.9.17).
- Tversky, A., Kahneman, D., 1974. *Judgment under uncertainty: heuristics and biases*. *Science, New Series* 185 (4147), 1124–1131.
- Van Parijs, P., Vanderborght, Y., 2017. *Basic Income: A Radical Proposal for a Free Society and a Sane Economy*. Harvard University Press, Cambridge.
- World Bank, 2010. Life expectancy at birth, total (years), <http://data.worldbank.org/indicator/SP.DYN.LE00.IN> (accessed 11.7.17).
- Unankar, P.N., Paul, S., Yasmeen, W., 2014. The Overwhelmed Employee—Simplify the Work Environment. *Global Human Capital Trends 2014—Engaging the 21st-century workforce.*, pp. 97–102, <https://www2.deloitte.com/au/en/pages/human-capital/articles/overwhelmed-employee-simplify-environment.html> (accessed 15.6.17).