

## Integrated talent management

### Part 3 – Turning talent management into a competitive advantage: An industry view

*Many organizations believe that effective talent management practices can be a critical source of differentiation in today's highly competitive, globally integrated economy. At the same time, industries face their own set of unique challenges – a situation that has led enterprises to focus on different pieces of the talent management “puzzle.” Our recently completed study highlights how knowledge- and service-intensive industries tend to spend significant time and attention on talent management activities, while not-for-profit organizations appear to struggle to make the most of their workforce.*

How does the application of specific talent management practices vary by industry? In our full report, the third of three on talent management published by IBM and the Human Capital Institute, we examine that basic question, and explore in-depth how organizations across industries apply talent management practices. Our conclusions are based on our survey of 1,900 individuals from more than 1,000 public and private sector organizations worldwide.

From our initial analysis, two important themes arose:

- Overall, knowledge-intensive industries and service-intensive industries are more likely to apply talent management practices across the board.

- Non-profit organizations appear to be significantly deficient in their use of talent management practices.

### How talent management practices vary

Different industries face distinct challenges. Likewise, their talent management practices also follow unique patterns. Indeed, our study revealed that:

- *Knowledge-intensive industries tend to focus on employee development and collaboration.* These organizations rely heavily on the “edge” they can get from their people.
- *Financial Services firms tend to focus more on attracting and retaining talent.* Generally speaking, these institutions pay significant attention to attracting human capital and hanging on to that talent.

- *Retailers apply a number of talent management practices overall.* A large number of retail organizations indicated that their workforce strategy is linked to their business strategy.
- *Government agencies, educational institutions and some healthcare firms fall short.* Many of these organizations are less likely to practice enlightened talent management practices.

### What organizations can do

Based on our research, we recommend that:

- *Knowledge- and service-intensive organizations* consider upgrading their overall talent management practices, with a focus on motivating, developing, connecting and enabling their workforce, regardless of individuals' physical location.
- *Public sector organizations* should look to leaders in talent management, and consider the practices of industries that are taking a more proactive approach to talent. Understanding the makeup and demographics of the workforce is a critical first step.



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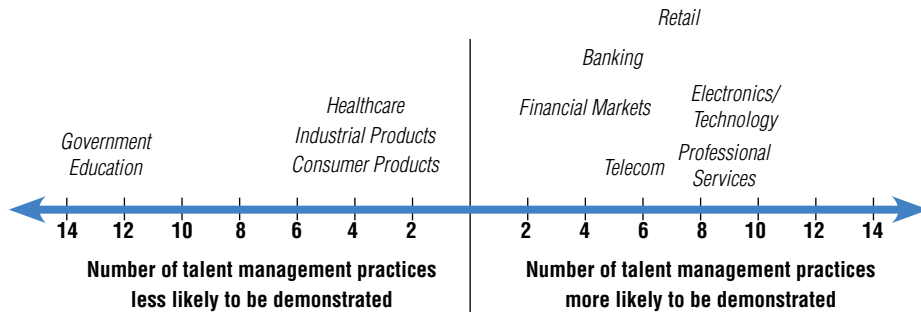
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### Talent management practices vary significantly across industries.\*



\* Industries where four or more talent management practices are (not) being demonstrated at a statistically significant level.  
Source: IBM Institute for Business Value/Human Capital Institute.

When examining their current talent-management strategies, executives should ask themselves:

- Is a more knowledge- or service-intensive model part of our business strategy/mission?
- Do we understand the composition, capabilities and potential of our current workforce?
- Are we prepared to prioritize our organization's "talent agenda"?
- Regarding our current talent management strategy, can we identify potential gaps?
- How can lessons learned from leaders in talent management be applied to our industry?

There is significant value in understanding the overall drivers of talent management practices, and why companies looking to migrate into (or away from) different industries should comprehend the impact of these decisions from a talent management perspective.

To request a full version of this paper e-mail us at [iibv@us.ibm.com](mailto:iibv@us.ibm.com)

### How can IBM help?

IBM's Human Capital Management practice can provide assistance in addressing a range of talent management issues:

- **Workforce Transformation** – enabling organizations to have the right people, with the right skills and information, in the right place, at the right time with the right motivation and at the right cost.
- **Knowledge and Collaboration** – connecting and supporting a global workforce to operate productively no matter where they are located.
- **Integrated Talent Management** – leveraging IBM's Lotus® collaboration software and Cognos analytics with selected talent management software providers and drawing upon HCM's consulting capabilities to rapidly design and implement effective talent management solutions.

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