Competing on Talent in Today's Business World

Competing on Talent in Today's Business World:

A Blueprint for New Ways of Hiring

By

Pradeep Sahay

Competing on Talent in Today's Business World:
A Blueprint for New Ways of Hiring

By Pradeep Sahay

The Art & Science of Hiring should be working together…making love. That's how it works best.

TABLE OF CONTENTS

DISCLAIMER

The author and publisher of this Book and the accompanying materials have used their best efforts in preparing this Book. The author and publisher make no representations or warranties with respect to the accuracy, applicability, fitness or completeness of the contents in this Book. The Information contained in this Book is strictly for education purposes. The author and the publisher disclaim any warranties (expressed or implied), merchantability, or fitness for any particular purpose. The author and publisher shall in no event be held liable to any party for any direct, indirect, punitive, special, incidental or other consequential damages arising directly or indirectly from any use of this material, which is provided "as is", and without warranties. The author and publisher do not warrant performance, effectiveness or applicability of any sites listed or linked in this Book. This Book is copyrighted by Pradeep Sahay and is protected under the copyright, Designs & Patents Act, 1988 and all other applicable laws, with all rights reserved. No part of this Book may be copied, or changed in any format, sold, or used in any other way than what is outlined in this Book under any circumstances without express permission from Pradeep Sahay.

FOREWORD

Blue Ocean Strategy

Today's most competitive marketplace isn't technology but talent and a strategic approach to talent acquisition (TA) will be even more crucial as markets continue to grow and change the dynamics of competition. New challenges are emerging that lessen the relevance and value of current managerial experience and knowledge. The talent that led to today's success will no longer be enough to lead organizations in the new competitive landscapes that are emerging.

In the larger context of how organizations are evolving their talent strategies, this book on talent acquisition by Pradeep is par for the course. It is a welcome and timely source of knowledge and practical advice for staffing leaders and recruiters, who need to embrace the changing scope of TA work.

The text brings together, in a comprehensive manner, various frameworks of thought and action that help in identifying priority areas of growth and development in TA. This approach allows us to address the real issue of cross-functional collaboration in TA.

The book explores the key elements inherent in the art and the science in recruiting that must come together to execute a positive shaping talent strategy. What makes this book practical and useful is by the example of a real-world business situation, where an organization examines how to develop its strategy using a pragmatic migration path that builds capability rapidly. The field applications of various frameworks give life to the ideas presented and show the manager how these ideas actually work in practice. Organizations looking to up the ante as they compete on talent in a VUCA environment will find the well-grounded practical insights of immense value in creating their own "Blue Ocean Recruiting" models.

An engaging read, Pradeep's book shows how talent acquisition can be a competitive advantage because of his deep experience and competence in this field, combined with his continuing willingness to listen and learn from others. I am sure Pradeep will continue to make a significant impact in the organizations and talents he encounters.

Jacinto C. Gavino, DPA
Washington SyCip Graduate School of Business
AIM-Manila, Core Faculty

EXECUTIVE SUMMARY

"Uncertainty is an uncomfortable position. But certainty is an absurd one." – Voltaire

We live in an era of profound and accelerating change keynoted by what historian **Carlota Perez** calls a new "techno-economic" paradigm. In her book, *Technological Revolutions and Financial Capital*, she presents a novel interpretation of the mysterious economic oscillations of the past few years and how constant transformation is the new normal today. Tectonic market shifts are transforming the global business landscape. Economic realignment, advances in technology, the globalization of markets, changing demographic trends, new customer needs and increased competition are radically altering how companies operate in virtually every industry and region of the world. Evidence of this new world order can be seen in the trade numbers. In 1990, the total of the world's exports and imports accounted for only 30 percent of the world's GDP – today, they make up more than half.

[1]Buffeted by these rapid and disruptive changes, every organization would love to build a business model that describes everything about its markets, customers and competition and from that model build the perfect strategy for the future. Unfortunately, that doesn't work, and it never will.

The future is characterized by VUCA: Volatility, Uncertainty, Complexity, and Ambiguity. This VUCA environment creates ever-shifting eddies that reshape many parts of the global economy, making equilibrium a distant memory; in this turbulent business environment, the notions of long-term strategy and enduring competitive advantage seem like quaint anachronisms, part of the detritus of the 1980s and 1990s.

These structural shifts are reshaping both the supply and demand for talent across the globe. To cope with the changing business environment, employers are demanding new skills from their employees, yet often find that they are in short supply. The paradox is profound: on the one hand, 40 million workers in the industrialized world are unemployed, according to recent estimates by the International Labour Organization. Yet executives and managers tasked with hiring new workers often say they are unable to find the right people with the proper skills to fill their vacancies.

---

[1] Oxford Economics: Global Talent 2021 Survey Report.

This is an environment that defies confident diagnosis and befuddles executives. No wonder, leaders at *Sigma Group* (*a fictitious name of a real company*) felt a sense of deepening stress as they surveyed the mutating business landscape.

It was **circa 2012**, and **Sigma Group,** a diversified US $2 billion infrastructure conglomerate, found itself at the cusp of these disruptive forces. Increased competition, a rapidly shifting regulatory environment, and new business models in emerging markets were unleashing a wave of unprecedented challenges for the group. The underlying theme: *Future success would require not just doing things better, but mastering the ability to do them differently.* The era of disciplined expansion and growth was on the wane. Business transformation and the new geography of talent would call for a fresh approach and mindset for attracting and retaining quality talent.

While this was one side of the coin, the other side held out great promise for *Sigma* – an abundance of opportunities, which if leveraged well could catapult the group to a US $5 billion entity by 2017.

Aggressively pivoting its businesses to more sustainable and innovative ways of operating required that the very best talent be sourced, engaged, developed, and retained. Having a great model was hard enough; finding outstanding talent to execute it was even more challenging, particularly, in the markets where the group operated. The top leadership was unanimous in its thinking that putting the right talent in the right roles at the right time would be the key differentiator that would keep the group out in the front, ahead of its rivals.

Since 2008, *Sigma* had focused on increasing its profitability and the leadership in the organization believed that this could be achieved better through integration of all the functions. Although, its revenues had been growing, its profitability lagged behind its peers in the industry. With employee costs contributing to over 65 percent of the operating expenses, this necessitated a review of the entire spectrum of the talent management operations.

Critical to this was the re-evaluation of the entire talent acquisition function, which between the years 2008–2011 was responsible for hiring over 80 percent of its present employee count of 10,000. There had been good recognition and applause for *Sigma's* talent acquisition initiatives from the community of peers in the TA functions and Heads of HR of different organizations across India.

Key stakeholders were understandably proud of what the TA group had achieved over the past three years. However, the new organizational context demanded a reality check, whether the achievements were truly representative of a strategic function in alignment with the business goals of *Sigma*.

The leadership at *Sigma* reflected that to be strategic, the talent acquisition function must put time and energy into things that would make

the organization *"significantly different"* or *"measurably better"* than competitors – "In a sense optimize the function to boost its strategic impact because in the end talent is what is going to make or break us."

This backdrop, formed by the vagaries of the economic scene on the one hand and the plenitude of marketplace opportunity on the other, qualified a need to re-orient the focus of the group's talent acquisition outlook from a tactical, reactive process to *a strategic program* capable of consistently sourcing, recruiting and on-boarding the best talent. If "strategy" is defined as the art of creating an unfair advantage – a gun in a knife fight – it is clear that organizations, which creatively create, configure and catalyze their talent acquisition approach will create an advantage that is hard to replicate.

The Strategy Palette

The essence of strategy is choosing to perform activities differently than rivals do and the best approach depends upon the specific problem at hand. Author **Martin Reeves** in his book, *Your Strategy Needs a Strategy*, convincingly argues that an organization's business environment dictates its approach to strategy. You need to assess the environment and then match and apply the appropriate approach. These approaches to strategy formulation – refer to exhibit below – fall into four buckets, according to how predictable an industry's environment is and how easily companies can change their environment.
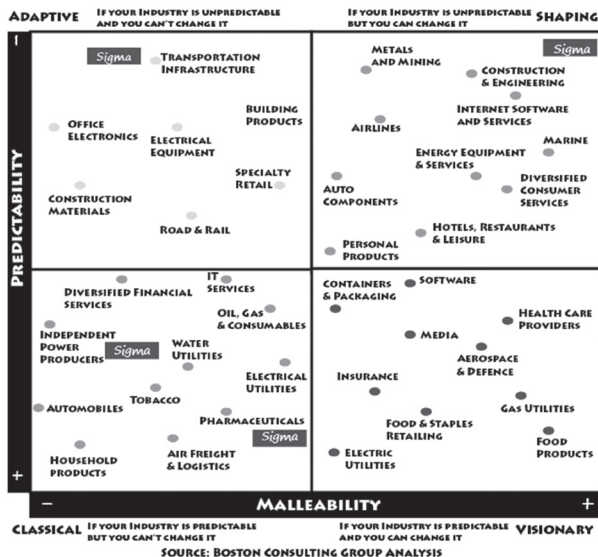
The above framework served as a ready template for leaders at Sigma and enabled a clear understanding of the strategic styles available and the conditions under which each is appropriate. It provided valuable insights on the differing economic conditions, under which some of its businesses were operating for e.g., Engineering and Construction vis-à-vis Power and Pharmaceuticals. The scenario required managing more than one strategic style at a time and influenced the hiring process rubrics of Sigma group.

It helped them do what the most successful were already doing – deploying their unique capabilities and resources to better capture the available opportunities.

Capability Optimization

"There is a time to sow and a time to reap." – Ecclesiastes

Organizations typically create capabilities through utilization of resources at multiple levels. A key fundamental here is to rethink how these resources are deployed and how they can be made to yield maximum value. This optimization is about ensuring effective and efficient deployment of existing and new resources for capability maximization and is the result of the interplay between utilization, efficiency, and effectiveness.

The *exhibit(s) below* portray this linkage as also the key triggers towards creating an optimized talent acquisition function at *Sigma:*

Utilization

It is the proportion of the available time (expressed as a %) for which the resources are deployed

High Utilization

High Efficiency

Efficiency

It is the ratio of the output to the input of the resources

Effectiveness

It is the extent of the match between the actual outcome and the intended outcome of the resources

High Effectiveness

Source:Optimizing the organization, Subhash Khare,Tata McGraw Hill Publishing Company Ltd 2006

Ideal state optimization results with the concurrent maximization of utilization, efficiency & effectiveness

**Key Triggers for Creating an
Optimized TA Function at Sigma Group**

Economic
Climate

Growth
Perspectives

Resource
Productivity

Key
Triggers

Quality
of
Hires

Talent
Pipelining

Focus
on
Capability

Source: Adapted from KPMG India Analysis

The central challenge here for *Sigma* was to identify, synthesize, and integrate dispersed capabilities both within its talent acquisition function and its larger organizational context. This required understanding and managing the *continuity-change* continuum[2]: "the organizational capacity both to exploit and explore." It was a litmus test of sorts for *Sigma's* ability to gain operating efficiencies on the one hand, and adapt and maintain currency with a changing business climate on the other.

Most change interventions begin with a fundamentally flawed assumption: that all parties involved in the change share an overwhelming common interest.[3] Power dynamics, contextual considerations, and resistance to change are underestimated and even considered anomalous.[4] As a result, no one mentions "many of the emotional and political issues that frequently preoccupy real people in real organizations" during times of change.[5] And after all, organizational change means changing human behaviour, notwithstanding little evidence suggesting that behaviour can be pliable or predictable.[6]

---

[2] Gratez F. and Smith A.C.T., "Managing Organizational Change – A Philosophies of Change Approach," *Journal of Change Management*, vol. 10, no. 2(2010), pp. 135–154.

[3] Collinson D. and Tourish D., "Teaching leadership critically: New directions for leadership pedagogy," *Academy of Management Learning & Education*, vol. 14, no. 4 (2015):, pp. 576–94.

[4] Ford J.D., Ford L.W., and D'Amelio A., "Resistance to change: The rest of the story," *Academy of Management Review*, vol. 33 (2008), pp. 362–77.

[5] Argyris and Schon, *Organizational Learning*.

[6] Grey C., *A Very Short, Fairly Interesting and Reasonably Cheap Book About Studying Organizations* (London: Sage, 2013).

Psychology research suggests that our beliefs, attitudes, and social norms often influence our willingness to change, regardless of whether they conflict with the single-minded ideal of maximizing our utility.[7] For *Sigma*, this meant engaging with an approach that spoke directly to the human needs and experiences of end-users of its recruiting services. Design Thinking offered a positive way of exploring the opportunity for change. A more positive view of looking at the future, the essence of which was captured succinctly by a senior stakeholder at *Sigma*: "Our journey to transform the way we hired talent started with an intention, a desire, and a need towards a better situation or state. We had no way of knowing whether this was a practical and viable path to take. Design Thinking gave us the tools to explore *What Could Be*."

Sigma's optimization effort, thus, in many ways was rooted in *design thinking principles*. The approach was about making the customer the focal point in the design of its hiring strategy and evolve the processes – take insights from people at the various touch-points of the process and build from the *outside-in* rather than the *inside-out*. It enabled the stakeholders to boil the strategic elements down to their foundational aspects and from there chart a fundamentally different vector for the optimization journey.

The Leadership Imperative

Key avenues of optimization can be explored and unlocked only with extraordinary leadership commitment. Leaders who apply optimization effectively build an *"optimization culture"* that goes beyond the traditional management imperatives of improving quality, reducing cost, and decreasing customer-response times. Such a culture puts highest value on staking out the best solutions to strategic and operational challenges.[8]

But doing this successfully requires questioning long-held assumptions in the ways most organizations still operate today by investing to change the mindset of people. The flip side is that leaders in organizations must also be on guard against the chorus of divergent views as it can obscure the need to question long-held assumptions.

Leaders at *Sigma* were aware that the optimization approach would require letting go of those assumptions and bring a "fresh pair of eyes look at the business of recruiting." It would require a deviation from a dominant

---

[7] Fishbein M., "A theory of reasoned action: Some applications and implications," *Nebraska Symposium on Motivation*, vol. 27 (1979), pp. 65–116.

[8] http://www.amazon.in/The-Optimization-Edge-Reinventing-Decision/dp/0071746579
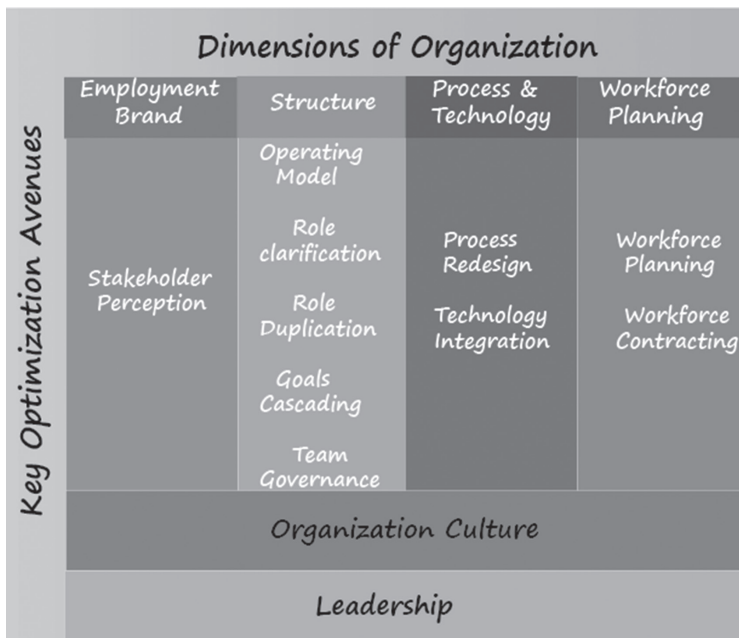
set of embedded norms and behaviours and this shift would impact the inner workings of individuals and the teams, functions, and the organization at large.

A senior stakeholder at *Sigma* captured the essence of this challenge in his powerful sentiment: "There are ideas that all of us are enthralled to which we simply take for granted as the natural order of things, the way things are. And many of our ideas have been formed, not to meet the circumstances of the present but to cope with the circumstances of the past. But our minds are still hypnotized by them, and we have to disenthrall ourselves of some of them." Now, doing this is easier said than done. Considering the inertia of old processes and structures, the strain of implementing an optimization effort can hardly we overestimated.

The leadership imperatives, to usher in this new order, cannot be overemphasized upon. We shall examine this in more detail in Chapter 15 of the book.

The *schematic below* illustrates the key avenues of optimization explored and leveraged at *Sigma*. At its core, this was centred on the key dimensions of organization framework which included structure, culture integration, employment brand, leadership participation, workforce planning, and internal consistency measures.

	Dimensions of Organization			
	Employment Brand	Structure	Process & Technology	Workforce Planning
Key Optimization Avenues	Stakeholder Perception	Operating Model Role clarification Role Duplication Goals Cascading Team Governance	Process Redesign Technology Integration	Workforce Planning Workforce Contracting
	Organization Culture			
	Leadership			

A cross-pollination of ideas from a wealth of disciplines and best practices of high impact business functions served as a beacon and helped sculpt the core of the optimization effort. It was like building with *Lego* blocks: efficient use of existing knowledge while applying the acquired skills to construct something new. The more of these building blocks we have, and the more diverse their shapes and colours, the more interesting our creations will become. Because if we have only one colour and one shape, it greatly limits how much we can create, even within our one area of expertise.

   Above all, it was about how these different disciplines illuminated one another to glean some insight, directly or indirectly, into that elusive question of *how to hire*, and *how to hire well*. The *exhibit(s) below* detail the prominent interventions in this transformation from a transactional model to a business process model.

Key Interventions
Change Management

Measurement & Analysis Phase	Engagement Phase	Delivery Phase
Change Leadership Who is responsible?	Stakeholder Management How do we manage stakeholder resistance?	Modifying Systems & Structures How will it be measured? What are the systems implication of change?
Business Case & Vision for Change Why do it? & What will it look like when we are done?	Involvement Strategies How to be get buy-in from stakeholders?	People Transition & Workforce Effectiveness How do we help position the workforce to adopt future state business models
Change Risk Analysis What org risks need to be factored?	Mobilizing Committment Who else needs to be involved?	Benefit Realization & Sustainable Performance How do we measure & monitor progress to sustain change?

Recruitment Process Mapping – Lean Manufacturing Principles

Tapping into the Voice of the Customer
Included all stakeholders across the recruitment value chain. In-depth interactions with hiring managers, employees and candidates was followed by a comprehensive mapping of existing structure, processes, systems, their relationship and interdependency to identify what was occuring and the interrelationships between the processes

Time Study of all Recruiter and Administrative Processes
as a first step in reducing time-to-fill

An Overview of Benchmark Best Practices & Key Process Elements
To serve as a foundation for creating a "Talent Acquisition - CoE" staffing infrastructure

Assessment & Mapping of all Technology Investments
To enable the required efficiencies

Roll Out of the TA CoE Model
Done in a "Trojan Horse" fashion, phase-wise over a 12 month period This was done to ensure proper alignment and integration with key affected constituents and to mitigate resistance that often accompany such change interventions in HR

Adapting from High Impact Business Functions

Developing a Talent Pipeline	Based on Supply Chain Concepts
Building TA Strategy Construct	Based on Systems Thinking Concepts
Building a Stronger Employer Brand	Based on Organizational Brand Portfolio Concepts
Building Stronger HM Relationships	Based on Customer Service Models
Performance Monitoring & Measurement	Based on Sales/Marketing Metrics
Localizing TA Strategy	Based on Cross - Cultural Communication Model

These interventions presented an interesting mélange of actionable evidence-based insights and uncovered key organizational challenges, which were then synthesized and integrated to shape the contours of Sigma group's future recruiting outlook and its ability to influence long-term corporate performance. This was **design thinking** working at its best: r*econsidering the ways hiring meets the end user's unspoken needs, as well as reworking the infrastructure that enables the product – **the right hire** – and the supply chain – **the process** – that delivers it.*

Flow of the Book

The Book chronicles the journey of a leading infrastructure group in India as it sets out to articulate its talent agenda in response to the opportunities and challenges offered by a fast-changing business environment. In its ability to create innovative recruiting efficiencies and a hiring rubric aligned around organization values, *Sigma* group was able to push the boundaries of what can be and should be a strategic talent acquisition and how it was used as a core of the company's competitive advantage.

Every journey begins with questions, and the strategic importance of talent acquisition can be appreciated better with an understanding of *talent* as an underlying construct. Does "talent" refer to people (subject) or the characteristics of people (object)? Is "talent" a natural ability or does it relate more to mastery through practice? This lack of construct clarity can diffuse the best-recruiting efforts of an organization leading to a sub-optimal function.

We'll set the scene in **Part I** and explore why the art and science must come together to illuminate the hiring discipline. This part examines the many factors that cause hiring to go wrong, from our senses to our higher cognitive processes to our social conventions. In **Part II**, I move from why we get hiring wrong to why an understanding of the underlying "talent" construct is critical to effective hiring. This part offers a discussion of the etymology of the term "talent" and its linguistic evolution over time, with the purpose of shedding light on contemporary usage of the term in organizational settings. The chapter(s) delve into the different approaches to conceptualization of talent within the world of work and its implications for talent acquisition in practice.

Part III provides a macro view on the shifting nature of work and then moves on to outline how trends and developments around technology and innovations of recent years are impacting the discipline of Talent Acquisition. **Part IV** uncovers the talent issues facing an organization (read *Sigma*) as it seeks to sustain its competitive advantage in a new business landscape. This

part presents a systemic inquiry into the current state of talent operations at *Sigma,* examined through the lens of a framework predicated on *"Design Thinking Principles."* The chapters reveal how a ground up view of its talent philosophy, corporate identity, structure, culture, internal processes, and technology were pivotal steps in setting the tone and priorities and eventually designing a   high-impact business facing talent acquisition function. The chapters also bring together the art and science in the hiring process for a necessary dialogue that establishes a relational framework for how different bits of knowledge connect to and validate one another.

Part V sheds light on the salient aspects of the "Centre of Excellence" (COE) model envisioned as the linchpin of a business facing talent acquisition function at Sigma. The chapters also highlight the importance of key leadership and cultural aspects in strengthening the foundation of a "Centre of Excellence" structure. The chapters in this part outline the characteristics and the delivery capabilities, which form the core of the COE model. They also capture the key milestones in this phase-wise implementation journey leading to the operationalization of the COE. **Part VI** turns to a "new look" and optimized talent acquisition function at Sigma. It unfolds to examine its best practices in a more fine-grained way, devoting a chapter each to the building blocks which combined together to deliver both positive financial and strategic impact. And finally, this part looks in detail at the efforts of Sigma to localize its talent acquisition strategy in new geographies leveraging **Geert Hofstede's** cultural dimensions theory.

In the concluding reflections chapter, I encourage us to see recruiting as a force for good – the cheerleader, steward, and ombudsman for people and work around the world. Here, I look at how embracing our fallibility not only lessens our likelihood of erring, but also helps us think more creatively, assess talent more thoughtfully, and construct freer and fairer hiring regimes.

My body of work draws upon a wealth of empirical evidence. This means that much of what you will read is not precariously balanced on a froth of anecdotes and parable but built on a foundation of rigorous observation and cross-disciplinary reflections spanning neuroscience, behavioural economics, manufacturing, psychology and more. A "**curious octopus**"[9] harnessing cross-disciplinary curiosity to create a rich intellectual and creative resource. I have strived to maintain intellectual rigour along the entire passage of this book (you'll find technical and popular references for each chapter at the end of the book).

---

[9] http://soulellis.com/2010/06/creative_morning_with_paola_an/

Hopefully this text will elevate awareness and discourse on the subject and help concretize a roadmap for organizations looking to revisit and re-invent their talent acquisition philosophies and practices as they compete for talent in a VUCA world. The book in many ways is about building a culture of originality. As organizational psychologist **Adam Grant** noted, *"The hallmark of originality is rejecting the default and exploring whether a better option exists."* This is about bringing a *vuja de*[10] perspective – we see something familiar, but we see it with a fresh perspective that enables us to get new insights into old problems and create new pathways for achieving excellence.

---

[10] https://hbr.org/2014/03/can-you-see-the-opportunity-right-in-front-of-you

PART I
A NOTE ON THE QUEST FOR EXCELLENCE IN HIRING

At the end of the movie Serendipity[11], *one of the main characters makes this statement: "The Greeks did not write obituaries. They simply asked, 'Did he have passion?'"*

Everybody has passion. Few people have jobs that activate their passion. Everybody has talent. Few people have jobs that demand full use of their talent and strengths. World-class organizations strive to make passion for excellence a key hiring requirement. They look beyond a person's resume, work experience or education. Instead, they use the art-science of selection excellence to unravel the various petals of one's identity to discover: "Do they have passion for excellence? Do they have the resilience to recover from a facedown moment? Are they easily motivated?" In sum, "What is their talent code; the philosophical kernel of their world view and how can we leverage them?" This process of discovery, as we will find out, is influenced by a confluence of many factors which need to be understood to lay out a roadmap for excellence in hiring. Let's explore further…

---

[11] https://www.amazon.com/Serendipity-John-Cusack/dp/B00003CY6M

Chapter One

A Passion for Excellence at Work

"If you wanted to crush and destroy a man entirely, to mete out to him the most terrible punishment," wrote Dostoevsky, "*all one would have to do would be to make him do work that was completely and utterly devoid of usefulness and meaning."* Indeed, the quest to avoid work and make a living of doing what you love is a constant conundrum of modern life.

"Few people discover the work they love," writes **Lance Secretan** in his book, *Inspirational Leadership.*[12] "For many people, finding the work they love is a long surrendered high-school ideal. Work is what they must do, not what they love to do." In *How to Find Fulfilling Work,*[13] philosopher **Roman Krznaric** explores the roots of this contemporary quandary and writes: "This cynicism and skepticism with work is reflective of one of the key afflictions of the modern workplace – a plague of job dissatisfaction." He calls it a *grin and bear it* approach, a view that says, "Forget the heady dream of fulfillment and remember **Mark Twain's** maxim, 'Work is a necessary evil to be avoided.'"

From the forced labour used to build pyramids through to the soulless McJobs of the twenty-first century service sector, the story of work has been one of hardship and tedium.

The history, as Roman Krznaric explains, is captured in the word itself, "The Russian for work, *robota*, comes from the word for slave, *rab*. The Latin *labor* means drudgery or toil, while the French travail derives from *the tripalium*, an ancient Roman instrument of torture made of three sticks." The desire for fulfilling work is one of the great aspirations of our age and yet every day, countless hearths and hearts grow ashen in cubicles around the world as we succumb to the all-too-human tendency towards choosing what we should be doing in making a living over what we must do in order to feel alive.

---

[12] http://www.amazon.in/Inspirational-Leadership-Destiny-Calling-Cause/dp/0969456190

[13] http://www.amazon.com/Find-Fulfilling-Work-School-Life/dp/1250030692/?tag=braipick-20#reader_1250030692

Overwhelming evidence has emerged in the last two decades which underscores how people struggle to uncover the fundamental motivating forces that drive them to find meaning and create excellence in their work. Only 13 percent of employees worldwide are engaged at work, according to perennial engagement survey leader **Gallup** in its study of the *State of the Global Workplace.*[14]

In other words, one in eight workers – roughly 180 million in the countries studied – are psychologically committed to their jobs and likely to be making positive contributions to their organizations. The bulk of the employees worldwide – 63 percent – are "not engaged," meaning they lack motivation and are less likely to invest discretionary effort in achieving organizational goals or outcomes.

This disengagement has profound implications for companies. Simply put, passion, or its absence, isn't just a philosophical or psychological matter – it's a business problem too. Far too many companies lack employees who are passionate about their work and they flounder, or just get by. But some companies instil passion and thrive as a result. If you fly on Southwest Airlines, you can see and feel the passion in the air. Their slogan, *"the airline that love built,"* articulates the passion of their employees. "At far too many companies, when you come to the office you put on a mask," writes **Herb Kelleher** in *Leader to Leader.*[15] "We try not to hire people who are humorless, self-centered, or complacent, so when they come to work, we want them, not their corporate clones. They are what make us different, and in most enterprises, different is better."

Passion helps to engage an organization. When people discover the work that they love, work becomes more than a job – it becomes a unique calling, a life's mission. People with passion for their work bring an almost infectious charm to their daily jobs with a strong rub-off on their customers.

Southwest hires and develops people with a passion for their work, and customers see and feel this in almost every interaction. These are people not driven by the age-old work ethic, but by what author **Pat Kane** calls the *"The Play Ethic"*,[16] which places them, their passions and enthusiasms at the centre of their world. Their credo is beautifully captured in a sentiment

---

[14] http://www.gallup.com/services/178517/state-global-workplace.aspx

[15] http://www.amazon.com/Enduring-Insights-Leadership-Foundations-Award-Winning/dp/1118193458

[16] http://www.amazon.in/The-Play-Ethic-Manifesto-Different/dp/0333907361

expressed by the French writer **François-René de Chateaubriand**[17] over a century ago:

> *A master in the art of living draws no sharp distinction between his work and his play; his mind and his body; his education and his recreation. He hardly knows which is which. He simply pursues his vision of excellence through whatever he is doing, and leaves others to determine whether he is working or playing. To himself, he always appears to be doing both.*

Companies like Southwest know that passion in the workplace drives a relentless desire to help and please, a hunger for excellence that's insatiable, a thirst for success that's unquenchable, and a devotion to an organization that's unfailing. Passion drives the entrepreneur, motivates the athlete, calls the missionary, and births the leader.

Tom Peters once quoted Ray Kroc, the founder of McDonald's, to the effect that, to succeed at McDonald's, *"You must be able to see the beauty in a hamburger bun."* Most so-called "sophisticated" professionals laugh when they hear this, but just a few moments of reflection should make it clear that Mr. Kroc was right. You can't become the world leader in a business as basic as hamburgers (or any other) without truly caring, passionately, about what you do.

Business author, **David H. Maister** echoes a similar sentiment in his timeless treatise, *True Professionalism*[18]: "Believe passionately in what you do, and never knowingly compromise your standards and values. Act like a true professional, aiming for true excellence, and the money will follow. Act as a prostitute, with an attitude of I'll do it for money, but don't expect me to care, and you will lose the premium that excellence earns." The problem is, such passion is all too rare in the workplace because organizations don't know how to cultivate it. These organizations also know that passion cannot be manufactured or cloned. It's innate, but not everybody brings it to his or her present role at work. So how do organizations go about hiring such dedicated people?

The best organizations do this by crafting "signature experiences"[19] – *visible, distinctive elements of their employee experience that articulates the organization's aspirations and the skills, stamina, and commitment employees will need to succeed there.* In themselves, signature experiences create value for the firm but they also serve as a powerful and constant symbol of the organization's culture and values.

---

[17] https://www.britannica.com/biography/Francois-Auguste-Rene-vicomte-de-Chateaubriand

[18] http://www.amazon.com/True-Professionalism-Courage-People-Clients/dp/0684840049

[19] https://hbr.org/2007/03/what-it-means-to-work-here

No company can build a coherent culture without people who share its core values or possess the willingness and ability to embrace those values. That's why the greatest firms in the world also have some of the most stringent recruiting practices. According to Charles Ellis*, as noted in a review*[20] of his book, *What it Takes: Seven Secrets of Success from the World's Greatest Professional Firms*, "the best firms are fanatical about recruiting new employees who are just not the most talented but also suited to a particular corporate culture."

People stick with cultures they like, and bringing on the right "culture carriers" reinforces the culture an organization already has. **Google's** recruitment process**,** for instance, is one of its signature experiences. Other organizations like **Starbucks** talk about *internal brand rituals* which bind their employees to the customer proposition and in turn offer value back to their people. The key brand ritual at Starbucks is their coffee tasting.

When asked about the "secret" behind the superior **Toyota** paint finishes, one manager replied, "We've got nothing, technology-wise, that anyone else can't have. There's no secret Toyota Quality Machine out there. The quality machine is the workforce – everybody who has a hand in the production here takes the attitude that we're making world-class vehicles. The human resource is the only one that competitors cannot copy, and the only one that can synergize – that is, produce output whose value is greater than the sum of its parts." **Apple** only hires people who are passionate about what they do; and **Genentech**[21] screens out people who ask too many questions about titles and options, because they only want people who are driven to serve customers.

All this emphasizes the point that the employee experience element of defining and managing a brand is not about "one look or feel", starting with recruitment communications. It is about understanding the core deal, understanding how it plays out across the talent segments, understanding how it has to hit the right balance between aspiration and reality to attract and retain and then manage the organizational behaviours accordingly throughout the employee journey.

Becoming an *employer of choice* is as much about revisiting our theories about human nature as it is about revisiting our ideas about work and larger ecosystems of our workplaces. Invoking plenty of Adam Smith, Karl Marx, John Maynard Keynes and even a bit of Bruce Springsteen, psychologist

---

[20] http://www.economist.com/news/business-books-quarterly/21576071-lessons-leaders-simply-best

[21] https://www.gene.com/

Barry Schwarz compellingly argues this fact in his inspiring manifest to *Why We Work*[22]*:*

> *Forty years ago, the distinguished anthropologist Clifford Geertz said that human beings are "unfinished animals." What he meant is that it is human nature to have a human nature that is very much the product of the society that surrounds us. We design human nature, by designing the institutions within which people live. Thus, human nature is to a significant degree the product of human design. If we design workplaces that permit people to find meaning in their work, we will be designing a human nature that values work.*

This assemblage of research findings and studies by psychologists such as **Barry Schwarz** and others of his ilk is forcing us to question the nature of modern-day work. Organizations today are realizing that if they want to help design a human nature that seeks and finds challenge, engagement, meaning, and satisfaction from their work, they have to start building their way out of a deep hole that almost three centuries of misconceptions about human motivation and human nature have put them in.

In his book, *The Business Romantic,*[23] **Tim Leberecht** invites us to rediscover romance, beauty, and serendipity by designing experiences and organizations that "make us fall back in love with our work and our life." To the growing concerns about the disruptive impact of technology on work, business and society, Tim responds with an alternative scenario: a romantic yet sustainable economy driven by vulnerable and empathetic leaders and employees on a mission to find real meaning in work. "There is a strong economic incentive for romanticizing our workplaces and cultivating experiences of friction, conflict, mystery and ambiguity at work," he muses passionately. Bringing these emotions to work, instead of parking them at the door, would challenge and surprise the employees who, in return, would respond with higher levels of engagement and productivity.

What People Value at Work

A classic example[24] of how to create a place where people draw on their authentic selves comes from **Joey Altman**, an American celebrity chef, restaurateur, TV host, and writer. Altman was the owner and head chef of the *Wild Hare*, a restaurant near Stanford in the US, and host of a popular

---

[22] http://www.amazon.in/exec/obidos/ASIN/1476784868/petewill0e8-21

[23] http://www.amazon.in/Business-Romantic-Everything-Quantify-Something/dp/0062302515?ie=UTF8&*Version*=1&*entries*=0

[24] Excerpted from *Hard Facts, Dangerous Half-Truths, and Total Nonsense,* by Pfeffer J. and Sutton R.I.

television cooking show called *Bay Café*. Joey had no formal management or leadership training, but developed an intriguing philosophy after working at 26 different restaurants. He hired primarily for attitude rather than experience, noting, "The right attitude for me is somebody who's passionate about what they're doing and they have a real desire to learn and they're doing this not because they think it's going to be some money but they really want to do it and they enjoy it." He tried to give people work they really enjoyed, defined roles broadly, blurred traditional roles, and gave people as much freedom as possible to be creative. And he let them be themselves:

> *What I decide is how the basic process should be handled. Not the means to get there, but what the end is. The end result is I want this to be beautiful, delicious, and hot. Whether you fry that first or you do that first and then do that, I don't care as long as it's beautiful and delicious. As far as service goes, I realize that I have ten waiters and ten different people. I don't want Darrell to be like Joanie, and Joanie, I don't want you to be like Susie. Paul, I want you to be the best Paul you can be. Susie, I want you to be the best Susie you can be. I just want you all to be knowledgeable and use your strengths of your personality to the best.*

With that philosophy, it was little wonder that the turnover at Altman's restaurant was a fraction of that in a typical establishment; his employees enjoyed what they did, and this enjoyment, enthusiasm, and creativity carried over to the food and service, making the dining experience the best in the area at the time. The fundamental theme here is that, while in the old economy promoting efficiency and organizing work reigned supreme, in the emergent new *passion economy*[25] inspiring the passions of employees to create and innovate is far more important.

The focus has to be on creating an environment in which challenge, engagement, meaning, and satisfaction are possible. *Competing on Talent* is as much about hiring people with the right attitude and values as it is about providing a signature experience that makes working at an organization unique. The best strategy in coming out ahead in the *war for talent* isn't to scoop up everyone in sight. Instead, one needs to convince the right people – those who are intrigued and excited by the work environment organizations can offer and who will reward them with their loyalty – to choose them.

The epigraph for **"Competing on Talent,"** is **Henry David Thoreau's** seminal quote from his 1854 *"Life without Principle"* essay:

> *Do not hire a man who does your work for money, but him who does it for the love of it.*

---

[25] http://www.digitaltonto.com/2010/the-passion-economy/

In the context of my body of work, this quote embodies an organization's core ideology that the *right talent* is the only critical competitive asset that helps create sustainable institutions. It helps establish an *espirit de corps* – the culture, the spirit – that is the hardest thing for competitors to imitate. The ideology, which served as a touchstone, saw this organization embracing a "hire for excellence" philosophy with a passion and an intensity akin to giving its hiring practices a "patina of spirituality," "the importance of the mundane."

It was this drive and ability to optimize the mundane – the focus on the process – that imbued its prosaic hiring practices with an element of the magical. In this book, I will take you behind the scenes to discover this organization's best practices and philosophies in action. But before we embark on this journey, I will lay out some key perspectives on *why hiring decisions are the foundation to almost all great organizational performance, why does hiring go wrong so often and why the art and science must come together* to keep hiring on the high road. After all hiring well is a strategy and it may, in fact, be an organization's most important one.