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KAMU YÖNETİMİ ANABİLİM DALI
HUMAN RESOURCES MANAGEMENT AND DEVELOPMENT BİLİM DALI

**THE ROLE OF ASSESSMENT CENTERS IN TALENT MANAGEMENT AND
AN IMPLEMENTATION**

Yüksek Lisans Tezi

BURCU SALINGAN ÇİLİNGİR

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Danışman: Prof. Dr. Nevin Deniz

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Marmara Üniversitesi
Sosyal Bilimler Enstitüsü Müdürlüğü

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With the changing climate of business environment due to technologic, social and demographic factors, the talent gains significant importance for the survival of the organizations. In this study, the role of, Assessment Center Method, that is a method used for the identification, development and retention of talented people in talent management is examined. First of all, I gratefully acknowledge my supervisor, Prof. Dr. Nevin Deniz, for her advice and supervision in order to complete this thesis. Then, I gratefully thank my husband, Muhlis Alpagut Çilingir for his support, dedication and persistent confidence in me. Finally, I would like to thank my family who were important to the successful realization of this thesis.

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ÖZET

DEĞERLEME MERKEZLERİNİN YETENEK YÖNETİMİNDEKİ ROLÜ VE BİR UYGULAMA

Değişen iş dinamikleri ve şirketler arası süren rekabetin artmasıyla birlikte, insane kaynağı şirketlerin operasyonlarını sürdürebilmeleri için büyük önem kazanmıştır. Bu yeni yaklaşım şirketlerin yetenek yönetimi ve bununla ilgili çalışmalarını geliştirmeleri konusunda zorlayıcı etken oluşturmuştur. Buna bağlı olarak yetenekli insanların belirlenmesi, geliştirilmesi ve elde tutulması şirketlerin başarısı için çok önemli bir rol oynamaya başlamıştır. Şirketler yetenek yönetim çalışmalarının bir parçası olarak farklı araçlar kullanmaktadır. Değerleme Merkezi methodu da yetenek yönetiminde kullanılan ve şirketlere belirli avantajlar sağlayan bir methoddur. Bu tez çalışmasında yetenek yönetiminde değerlendirme merkezlerinin rolü incelenmiş ve bununla ilgili bir şirket uygulamasına yer verilmiştir. Bir şirketin yetenek yönetimi sürecinde değerlendirme merkezi methodunu kullanması incelenmiştir. Tüm süreç ve methodun yararları, kısıtlamaları paylaşılan teorik bilgi ışığında değerlendirilmiştir.

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ABSTRACT

THE ROLE OF ASSESSMENT CENTERS IN TALENT MANAGEMENT AND AN IMPLEMENTATION

With the changing dynamics of business environment and fierce competition among companies, human capital gains significant importance for companies to maintain their operation. This new approach enforces companies to focus on talent management and to develop practices accordingly. In line with this, identification, development and retention of talented people play drastic role in the success of the companies. As a part of their talent management practice, the companies use different tools. Assessment Center method is one of these tools that provide some advantages to the companies while used. This thesis studies the role of assessment centers in talent management and concludes with the evaluation of an implementation carried out by an organization. An implementation of one company's pursuit to using assessment centers in their talent management process is examined. Here both the process and its benefits and limitations are discussed from the company perspective in the light of literature.

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1. INTRODUCTION

Today, at the climax of globalization, companies face fierce competition not only in their home countries but everywhere they operate. As improvements in technology and infrastructural progress to new heights, companies are able to have headquarters in US, operation plants in China and businesses in another country. This boundaryless business environment necessitates that companies change their mindset. Instead of having to focus only on their home turfs and customers, they now have to take a global view and compete for scarce resources everywhere. In addition to this competitive and boundaryless environment, demographic changes of internal and external customers create a significant challenge for organizations. Companies have to adapt to these changes faster than ever, organizations and the people who lead them need to be of the best caliber.

Thus, in this challenging and competitive environment, in order to be successful, it is imperative that organizations focus on the human capital. Since human capital is one, if not the most, important factor that creates added value for organizations and provides competitive advantage against strong competitors. Based on this, successful talent management takes on an ever increasing importance.

In this new world, talent management focuses on multiple steps; specifically it encompasses the identification, development and retention of talented people.

Even though various tools may be used in the identification, development and retention of talented people, the assessment center method stands out as a multi-disciplinary approach that can be used in identification and development stages of the process.

In light of the above, the aim of this study is to define “Talent Management” and “Assessment Centers” from a strategic human resources perspective, discuss the role of the assessment centers in talent management and examine this role with an

implementation that uses assessment center method as a part of talent management strategy.

In the first section of the study, basic terms such as “talent”, “talent management”, “competency”, and “performance” are defined in conjunction to talent management. In this section the importance and benefits of successful talent management, the role of talent management in strategic human resources management, the tools for identification, development and retention of talented people are discussed. The talent management strategies that have been developed are the last subject that was mentioned in the first section.

The second section focuses on assessment centers. Initially the definition of assessment centers is explained. This is followed by a detailed assessment of the main components of this chapter. Thus a thorough examination of the history, components, techniques and the validity of assessment centers is conducted in this section.

In the third section, the role of assessment centers in talent management is discussed. In which areas the assessment centers are used for talent management and how assessment centers contribute the organizations’ talent management processes are the main questions that are answered in this section.

In the last section, a study with the guidance of the theoretical knowledge about the role of assessment center in talent management along with an application is explained. Hence, the role of assessment centers for talent management is discussed in the light of theoretical knowledge provided before.

2. OVERVIEW OF TALENT MANAGEMENT

The last decade of the twentieth century witnessed the expansion of globalization which also changed how businesses behaved in their endeavors. In this changing but even more so challenging business world, the priority of the organizations shift continuously as a result of changes in external and internal factors like technological improvements, economic crisis, demographic trends etc.

The dynamic nature of global business is putting an ever-increasing pressure on companies to be constantly on the lookout for solutions in order to survive in such an environment. In this modern-day environment, “human” capital gains significant importance. Identifying, motivating and rewarding key talent to continue to produce fresh perspectives and creative ideas to gain a foothold and maintain competitive advantage is critical for the success of the organizations.

In this aspect, it is crucial to be able to answer the questions such as “What is talent management? What do organizations need to do to ensure that they identify, develop and retain the talented people among the organization?”

The following section will help answer these questions by first defining the concept of talent management and will then work to examine the relation of strategic human resources management and talent management in detail. Then, detailed information on identifying, developing and retaining talented people will be provided. Finally, different approaches to talent management strategy will be explained.

2.1 The Definition of Talent and the Related Concepts

Today some of the organizations give significant importance to their human capital and in order to achieve successful results, they try to identify, develop, and retain talented people. This is a multi iterative process in which they first seek talented people for recruitment, and then try to overcome challenges around engaging them for the work

they perform, as a next step organizations work to retain these talents, so that finally they can help to recruit new talent into their organizations. Thus “talent management” has become a buzz word and both talent and talent management are common issues in today’s business environment, nevertheless defining these concepts are still a very difficult task.

There are various definitions about the talent that touch upon various concepts around the word.

The word *talent* has ancient origins; originally as a unit of weight, then as a unit of monetary value, and then as a symbol for people’s innate achievements.¹ The Concise Oxford Dictionary defines talent as ‘a special aptitude, or faculty’. According to Turkish Dictionary², talent is someone’s capacity to understand or to do, or the ability; or the inborn capacity and power to adapt to new circumstances. Although these are concise definitions they miss out on some very important features that are captured below by more elaborate definitions. For organizations, talent is more than an organization’s conclave of employees:³

- Talent represents employee skills and capabilities.
- Talent often assumes managerial talents, but it increasingly extends to a wider range of specialized organizational players.
- Talent represents the skills and capabilities of people hovering at shifting boundaries of organizations.
- Talent may even include the skills and capabilities of people in other organizations- people nominally working on the other side of organization boundaries that future business needs may require crossing in order to form extended enterprises.

¹ Sears D, **Successful Talent Strategies: Achieving Superior Business Results Through Market-Focused Staffing**, Saranac Lake, NY, USA; Amazon, 2002, p.3.

² Türk Dil Kurumu Sözlüğü, 2007, www.tdk.gov.tr.

³ Sears D., 2002, p. 24

A talented person is defined as a ‘someone who has ability above others and does not need to try hard to use it. They excel with ease and grace. A talented person has a certain aura in their ability those wish to emulate and from which lesser mortals draw inspiration’.⁴

Berger and Berger⁵ used the “super keeper” term for talented people. They defined it as those employees who have demonstrated superior performance, and who have inspired others to achieve superior performance and who embody the core competencies of the organization.

As can be seen from the above while defining and explaining the concept of talent management, some related subjects like “performance”, “competency”, “development” and “potential” are widely used. Thus defining these subjects is important to understanding and evaluating talent management.

A competency is “a reliably measurable, relatively enduring (stable) characteristic or a combination of characteristics of a person, team or organization that causes and statistically predicts a criterion (measurable) level of performance”. Core competencies are those that are based on behavioral expectations that are critical for the success of each employee and the success of the whole company.

Performance is in general the qualitative and quantitative outcome of an activity which has a purpose and planned before hand.⁶ Performance evaluation is designed to give information to both the employee and the employer about how the employee performs on established goals over a period of time. In general both the outcome and

⁴ Thorne K. and Pellant, A., **The Essential Guide to Managing Talent: How top companies recruit, train & retain the best employees**. London: Kogan Page Limited, 2007, p.7.

⁵ Berger, A. L. and Berger, D. R., **The Talent Management Handbook: Creating Organizational Excellence by Identifying, Developing, and Promoting Your Best People**, New York: McGraw-Hill, 2004, p.4.

⁶ Akal, Z., **İşletmelerde Performans Ölçüm ve Denetimi: Çok Yönlü Performans Göstergeleri**. Ankara:Ankara Milli Produktivite Merkezi Yayınları, 1996, n:473 p:1.

time frame is predetermined by both parties. The objective of the feedbacks given during the performance evaluations is to help employees and supervisors agree on development areas and determine new goals for the future.

Development can be defined in generally as an ongoing improvement in quality or ability. Employee development is a long-term oriented concept that focuses on employee's personal growth. In organizations, employees and supervisors determine development areas in which an employee has a deficiency or weaknesses, or an area that simply could be better if some effort was spend to improve it.⁷

Potential with in the business environment framework can be defined as the capability or possibility of how many levels (organization/job) an employee can progress within an organization based on his/her current performance appraisals, training and development needs, career preferences, and actual and projected competency level. The person with potential is sometimes used as the synonym of talented people.⁸

2.2 The Definition of Talent Management

In today's challenging business environment, managing talent successfully plays a significant role in the performance of organizations. Therefore, defining and implementing talent management is critical factor for all companies.

Talent management is a long term approach and focuses on the strategic management of the flow of talent through an organization. The purpose is to assure that the supply of talent is available to align the right people with the right jobs at the right time based on strategic business objectives. Given that organizations need talent to function in today's world, talent management is probably the most important HR processes.

⁷ De Cenzo, Robbins, **Human Resource Management**, 6th edition, New York : John Wiley & Sons Inc., 1999, p.239-241.

⁸ Berger & Berger, 2004, p.9

It should be emphasized that talent management is not only recruitment, nor evaluation, nor development of talent per say. It goes beyond these individual concept and integrates them into an over arching principle. Therefore it is about those thoughts and actions that, consistently, over time, become the organizational culture and it is a way of working and achieving both short and long-term success.

Talent management is a paradigm that goes beyond trying to leverage the greatest competitive advantage from people. It is a belief that talent differentiates organization culture and breeds competitive advantage, with benefits for both the individual and the organization.⁹

As the business needs and processes vary from one organization to the next it is impossible to pin point a common rule or standard as to whom talent refers to or what it means for employees and the organization. However, in light of company specific strategies and needs, there are common steps which help to define and implement the talent strategy which is illustrated as figure 1.

⁹ Duttagupta, R., “Identifying and managing your assets: talent management”, **Intellectual Asset Management Magazine**, 2005, www.pwc.com/gx/eng/ins-sol/publ/ipvalue/Identifying-managing-asset-05.pdf.

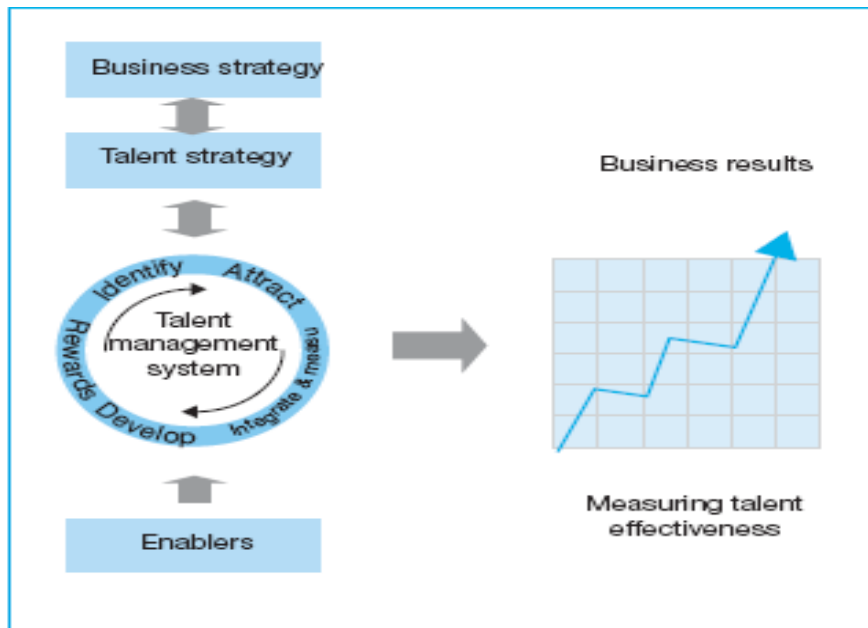


Figure 1: Common steps in talent management; Duttagupta, 2005

In order to develop a successful talent management policy and keep talented people in their organizations, companies should give high importance to the following areas and answer specific question for each;¹⁰

- The identification of talented people.
 - Seeks to answer questions such as what capabilities should talent people have, what backgrounds should they have, where are they currently placed etc.
- The attraction of talented people.
 - The questions to answer include what types of rewards (compensation) should be offered, how should the company be differentiated from competition so that it becomes an employer of choice, etc.
- The engagement of talented people.
 - How should they be treated, what responsibilities should be given, how should they be motivated, how should performance management function etc.

¹⁰ Duttagupta, 2005

- The development of talented people.
 - How and when performance appraisal should be conducted, how should their managers be trained to cultivate talent, the types of training to be given, etc.
- The retention of talented people.
 - What should be the long term incentives, how to build commitments, how to remain competitive so that they do not leave for another company, how to retain motivation in the long run, etc.

2.3 The History of Talent Management

By the time goes, technological and social developments have affected businesses. The Industrial age transformed itself to the Information age and parallel to these changes, the value of hard assets (that can be easily copied at lower costs) have declined relative to organization's intangible assets- assets like brands, innovative ideas, and intellectual capital. Underpinning all of these intangibles, that are human capital dependent, is talent.

Before the Industrial Revolution, employment was casual, contractual and outsourced. With the opening of new era, division of labor; the ability of businesses to organize and harness the output of workers performing highly fragmented work is introduced to business life. Division of labor made up the building blocks of organization pyramids and business grew by constantly adding entry-level talent to the pyramid's base. ¹¹

As a result of productivity needs division of labor araised as a principle which was eagerly accepted by many companies. As a result of this, companies not only were able to divide work to smaller parts in which workers can specialized, but were also forced to hire more talented employees who could plan the longer term. This system evolved into the hierarchy pyramids of the organizations. In this new structure, certain

¹¹ Sears D., 2002, p.58-72.

talent categories especially those pertaining upper levels of the pyramid gained profound importance in that scientific measures were taken to systematically matched employee characteristics to job conditions and requirements. The steps to enhance this match included job design based on component tasks, determining the best procedures for performing these tasks, defining employee characteristics best adapted to tasks and procedures.

As the importance of these tasks escalated for the organizations so did the need to find and retain talent. As the importance of talent escalated for organizations, successful talent management becomes the business reality. Companies gradually started to realize this and where forced to revolutionize their approach to talent management. By the end of 1990s, the talent management had become the new priority of many companies. They developed talent management strategies and integrated these not only into their HR strategies but general business strategies.¹²

At the end of 1990s and beginning of 2000, the two giant multinational consultancy companies, McKinsey & Company and The Towers Perrin, conducted several researches in order to highlight the common approaches to talent management used in business environment. These researchers provided valuable information about how companies deal with the talent, the general beliefs and common practices in talent management.

In 1997, McKinsey & Company, an international management consultancy company conducted a detailed research on talent management practices and beliefs. In this research, the team worked with 77 large U.S. companies in various industries. The team's main focus was the human resources departments within each company and the companies' talent-building philosophies, practices, and challenges. There were also 400 corporate officers and 6,000 executives from the top ranks of these companies who

¹² Sears, 2002, p.58-72.

joined the search. In addition, the group conducted case studies of 20 companies that were perceived to have considerable talent.¹³

In 2000, McKinsey & Company completed a second part of the surveys and case-based research to update their initial findings. At the end of the survey, 13,000 managers and 112 large U.S. companies had joined the search in total.

As a result of this vast study a breath taking conclusion was made: that “companies are about to be engaged in a war for senior executive talent that will remain a defining characteristic of their competitive landscape for decades to come”. In these researches the term “the war for talent” was coined.¹⁴

Another consultancy company, Towers Perrin which is a global professional services firm that helps organizations around the world optimize performance through effective people, risk and financial management, conducted several researches on talent management.

In 2001, the company completed their first study with the participation of 6,000 employees across North America and Canada on talent management. They published their key findings in “The Towers Perrin Talent Report 2001: New Realities in Today’s Workforce.” In 2003, another study was completed and it involved 40,000 employees working full time for medium and large organizations (at least 500 employees) across North America.¹⁵

Similar to the McKinsey report Towers Perrin also foresaw the scarcity of talent and how companies would need to ferociously compete to not only recruit but also to retain the best.

¹³ Knowledge@Wharton, “Winning the War for Talent”, 1999, <http://knowledge.wharton.upenn.edu/article>

¹⁴ McKinsey & Company, “The War for Talent”, **Organization and Leadership Practice**. McKinsey Quarterly. Vol .2, 2001, p.9-12.

¹⁵ The Towers Perrin Talent Report 2001: New Realities in Today’s Workforce_www.towersperrin.com

2.4 The Importance and Benefits of Talent Management

In today's business world, companies battle with global competition, new technologic improvements and complex financial structures. In this challenging environment, the "people" factor of the organization gains significant importance.

According to the survey conducted by McKinsey & Company, the most important corporate resource over the next 20 years will be talent; ironically it will also be the resource in shortest supply. Hence, identifying, managing and keeping talent which possesses global acumen, multi-cultural fluency, technological literacy, and entrepreneurial skill has become one of the most important challenges of companies.¹⁶

The dynamic nature of global business is putting an ever-increasing pressure on companies to be constantly on the lookout for exceptional talent in a market where demand far exceeds supply. Given the current focus on the linkage between talent and an organization's business challenges and strategies, effective strategy execution requires sufficient numbers of the right people with the right skills and knowledge, in the right roles.¹⁷

In fact an as top executive of The Coca-Cola Company, Sergio Zyman argues that companies should recruit talent whenever they find one irrespective whether there are any vacancies at that point in time. He goes further to suggest that once the talent is with the company there will without doubt be enough opportunities for them.¹⁸

According to Ed Michaels, a McKinsey director who helped manage the study, talent has become more important than capital, strategy, or research and development. He bases his arguments on the fact that there is ample capital today for good ideas and good projects, competitive strategies are more or less transparent, and the lifespan of

¹⁶ McKinsey & Company, 2001, p. 9-12

¹⁷ Duttagupta, 2005

¹⁸ Knowledge@Wharton, 1999

technology is growing shorter all the time. Therefore, for many companies “people” are the prime source for competitive advantage.¹⁹

This view also supported as the ability to attract and retain the best people as a “key source of competitive advantage.” Accordingly today’s environment is “shifting the focus of many firms to allocating capital for managing knowledge and learning as the key strategic task”.

In the survey about talent conducted by McKinsey, 72% of all managers surveyed say that winning the talent is critical to their companies’ success, only 9% are confident that their current actions will lead to a stronger talent pool in the next three years. Even high performing companies have considerable room to improve their talent management practices.²⁰

The research conducted by Berger and his team members shows that sustainable organization excellence is achieved through successful talent management; identifying, selecting, and cultivating talented people; finding, developing, and positioning highly qualified backgrounds for key positions and lastly allocating resources to employees based on their actual and potential contribution to the organizations.²¹

As the transition to successful talent management continues this is also causing some paradigm shifts in HR concepts. The understanding of the talent mindset, recruitment, employee value proposition, leadership and differentiation has been changed with the use of successful talent management program.

In the following table, the comparison of basic Human Resources functions before and after the talent management is provided.

¹⁹ Fishman, C., “The War for Talent”, **Fast Company**, 1998, Vol16, <http://www.fastcompany.com/magazine/16/mckinsey.html>, p.104-106.

²⁰ McKinsey&Company, 2001, p.9-12.

²¹ Berger & Berger, 2004

Table 1 Comparison of Basic HR functions before and after Talent Management

	The Old Way	The New Way
Talent Mindset	Having good people is one of many important performance levers	Having the right talent throughout the organization is a critical source of competitive advantage
	HR is responsible for people management including recruiting, compensation, performance reviews, and succession planning.	Every manager- starting with the CEO- is responsible for attracting, developing, exciting, and retaining talented people; indeed every manager is explicitly accountable for the strength of the talent pool he/she builds.
Employee Value Proposition	We expect people to pay their dues and work their way up the line before they get the top jobs and big bucks	We think of our people as volunteers and know we have to try to deliver on their dreams now if we are to keep them
	We have a strong value proposition that attracts customers	We also have a distinctive employee value proposition that attracts and retains talented people
Recruiting	Recruiting is like purchasing; it's about picking the best from a long line of candidates	Recruiting is more like marketing and selling; it's a key responsibility of all managers
	We hire at entry levels only, primarily from the same 6 or 7 schools	We hire at all levels -entry, mid, and top - and look for talent in every conceivable field
Growing Leaders	Development is training	Development happens through a series of challenging job experiences and candid, helpful coaching
	Development happens when you are fortunate enough to get a really good boss	Development is crucial to performance and retention... and it can be institutionalized
Differentiation	Differentiation undermines teamwork	We shower our top performers with opportunities and recognition. We develop and nurture mid-performers. We help our lower performers raise their game or we move them out or aside.

Source: McKinsey & Company, 2001, p.9-12

2.5 The Relation of Strategic Human Resources Management and Talent Management

In the strategic human resources management, managing the talent plays a significant role. Therefore, it is very important to digest the relation between two concepts. In this section; the definition of the strategic human resources and relation between the strategic human resources management and talent management will be examined.

2.5.1 The Definition and Strategic Human Resources Management

As discussed previously, contemporary business environment enforces companies to always be prepared for internal and external challenges. In order to be successful in such an environment, organizations should analyses their strengths / weaknesses and opportunities / threats and develop strategies accordingly. Based on the outcomes of this analysis they should then look to forming a coherent strategic plan.

The first step is the development of strategic plan for the company. A strategic plan means “a company’s plan for how it will match its internal strengths and weaknesses with external opportunities and threats in order to maintain a competitive advantage”.²²

The strategic planning is the milestone for the company’s strategic management. Based on this plan, companies should define the business context and their mission. Once these are complete, the company must translate the mission into strategic goals that need to be achieved in the near future (3-5 years), and accordingly formulate and implement a strategy in order to achieve these goals. Last but not least, they need to evaluate their performance against these goals. Throughout this process, people factor

²² Dessler, G. **Human Resources Management**, 10th edition, New Jersey: Pearson Education Inc., 2005.,p.80.

plays a significant role. Given that it is “people” who devise these strategic it is necessary that successful strategic management strongly related with the successful strategic human resources management.²³

Strategic human resources management can be defined as “formulating and executing HR systems, policies or activities that produce the employee competencies and behaviors the company needs to achieve its strategic aims”.²⁴ As mentioned in the definition HR professionals manage and develop the “people” factor in organizations in order to reach the companies’ strategic aims. In addition to that, they identify the problems that are critical to the company’s business strategy, and forecast potential obstacles to success.

2.5.2 The Role of Talent Management in Strategic Human Resources Management

The economic, technologic and social changes as mentioned earlier make human capital the most important factor in the success of the organizations. Constant change and increased competitiveness have resulted in people being the only way that firms can get an edge on one another. In particular, organizations that possess talent will have the basis for winning over their rivals. Hence in today’s business world it is “people” who have become the strategy for success rather than capital or technology. Therefore, successful strategic human resources management systems that take on a talent management approach create a competitive advantage for companies against their competitors.

Today in order to be successful, the organizations must define their missions and develop their strategies according to the talents of their people, and HR professionals must be aware of importance of people source while designing their strategic management systems.

²³ Dessler,p.80.

²⁴ *ibid*,p.81.

Parallel to these changes and improvements, the role of the human resources department and human resources professionals have also changed.

2.5.2.1 The Changing Role of Human Resources Professionals

The competitive nature of global business is putting an ever-increasing pressure on Human Resources Executives to be constantly on the lookout for exceptional talent in a market where demand far exceeds supply. Given the current focus on the linkage between talent and an organization's business challenges and strategies, effective human resources strategy execution requires sufficient numbers of the right people with the right skills and knowledge, in the right roles. This has made talent management one of the most pressing issues facing Human Resources Executives.

To make things even more complicated, pressing business imperatives, such as increasing turnover as the economy improves, globalization of markets, free movement of the labor forces, aggressive competition and heightened corporate governance, have intensified the need to acquire, develop, deploy, motivate and retain key talent.

The pool of talented people is scarce and employees are very mobile. Accordingly; recruitment, development and retention of these people plays an important role in the success of the organizations. Therefore, in this new world, the primary responsibility of human resources professionals has started to become talent management.

In addition to traditional staffing issues and concerns, human resources departments will need to focus on work-life balance programs, benefit packages, compensation, performance appraisal systems and continuous trainings initiative in order to achieve successful talent management.

In the future, as outsourcing begins to play an even more important role in certain human resources activities, the need to manage these activities will be made directly available to employees through the use of technology, or delegated to line

managers. Freed from having to deal with such activities the focus of the HR professionals will be on creating a work culture that nurtures talent by offering customized employment packages, providing the empowerment and freedom needed by skilled workers, and instilling an organized, supportive culture into diverse workforces.²⁵

This new era will give human resources professional the role of increasingly becoming valued strategic business partners for top management. They will need to reassure the organization that the human resources activities are not only parallel with the overall goals of the company but are also cultivating an atmosphere that helps to drive this strategy. They will answer question such as “How do we manage our pool of talent to suit our evolving business need?” As a result HR will be instilled with the task of ownership of the talent agenda and thus make HR the “keepers of people strategy” that is aligned with the business.²⁶

2.5.2.2 The Future Role of Human Resources Professionals

In the future, in order to achieve better performances and survive in such a competitive and changing environment, the Human Resources Professionals’ involvement in business will increase significantly. They will be forced to manage how organizations take ownership of their employer brand, and develop the companies into employers of choice to attract top talent. Hence they will need to stay close to the recruitment process in the search for talent. Thus, they need to develop flexibility into their systems.

The Towers Perrin Talent Report (2003) provides eight suggestions to employers for setting a successful human resources course for future:

- Build sufficient flexibility into the employment cycle and experience to emphasize different rewards and cultural elements at different stages in the process.

²⁵ Berger&Berger, 2004, p. 199.

²⁶ Thorne & Pellant, 2007, p.18-26.

- Put mechanisms in place to ensure that all employees can see and understand senior management’s concern for them collectively and its vision for the future of the organization.
- Set clear expectations for managerial behavior and hold managers accountable for that behavior and related skills.
- Seek creative ways to make jobs more challenging and improve opportunities for advancement.
- Give employees education and tools to increase their business savvy.
- Ensure that employees have the right information and education to become informed consumers of the full range of workforce “goods and services” available to them.
- Take a total compensation and benefit approach whereby the total reward goes to maximizing total return on investment.
- Measurement of the performance of employees with different measurement tools allow companies to plan and manage staffing and turnover far more efficiently and over a far longer period — helping deliver an HR strategy in line with a long-term business strategy.²⁷

2.6 Identifying, Developing, and Retaining Talented People

Today successful talent management plays a key role in the success of the organizations. Talented people provide significant improvements in the performance of the companies. However, while the need of talented people is increasing, companies are finding it difficult to identify, develop and retain such employees. Therefore, the companies face with new challenges from identification step to the retention of these people and they use different tools and approaches in order to be successful in this respect.

²⁷ The Towers Perrin Talent Report 2003: Working Today: What Drives Employee Engagement, 2003
www.towersperrin.com

In *The War for Talent*, a journal published by McKinsey Company, the way for winning the talent war is explained as follows:

- First, as a priority, companies must elevate talent management based on what it means based on the company strategy, what the current situation is, and what will the future needs be.
- Then, they must create and refine an employee value proposition, taking competition into account, to attract and retain the people.
- Finally, they must focus on how to recruit great talent and how to develop them.²⁸

As the results of the same survey, it was seen that very few companies quantify the performance differential between high, average, and poor performers and many companies do not know who their high performers are. In addition to that they are still not showing enough effort for the development of their talented people.

On the other hand, when the whole picture is examined the worst results are coming from the retaining activities of high performing employees, namely talented people of the companies. In the following table, the results about the talent practices of companies that participated to the McKinsey Study are shared.

Therefore, for the organizations in order to survive such a fierce business environment, preparing and applying a talent management strategy which covers distinctive approaches for the identification, development and retention of talented people gains a significant importance.

²⁸ McKinsey Company, 2001, p.9-12.

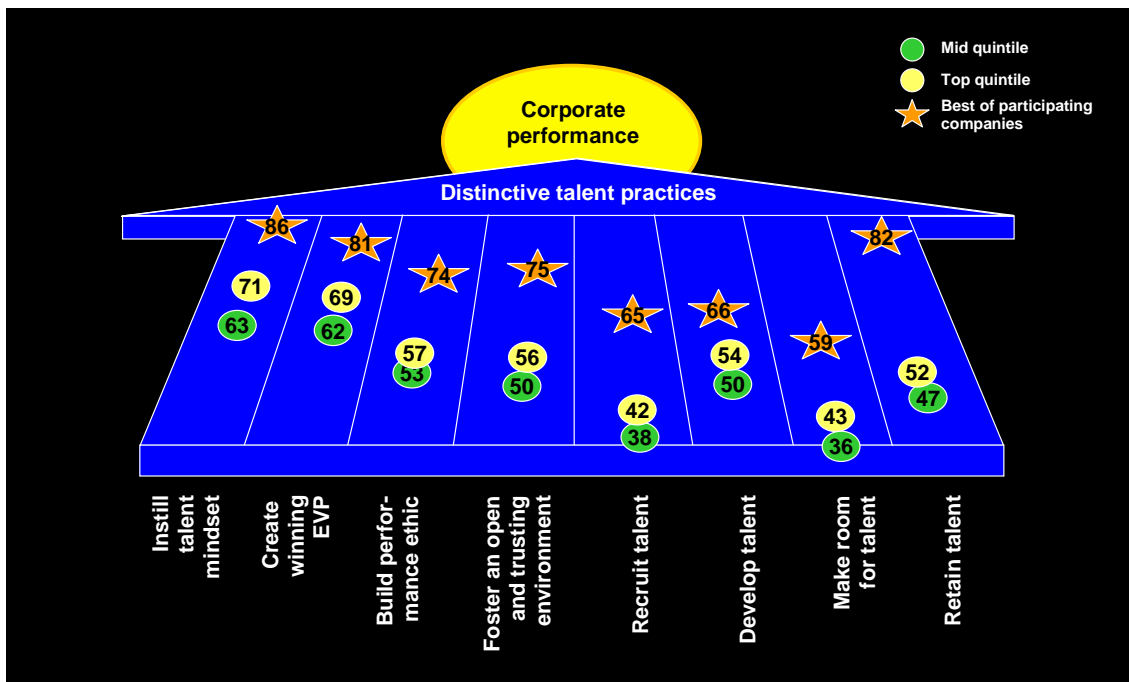


Figure 2: Talent Practices of Companies, McKinsey, 2001

In the following sections, common tools that are used for the identification, development and the retention of talented people will be examined.

2.6.1 The Tools for the Identification of Talented People

One of the most important steps in developing a talent management for organizations is the identification of people with high potential and performance. These talented employees with the ability to deliver value-creating competencies are the bloodstream of the company's future success. Hence a company's performance can be directly related to the number of these kinds of people. In the following section, the ways of identification of talented people both within the organization and outside of the organization are summarized.

In the identification of talented people both within the organization and outside of the organization, both new and old techniques are used. Generally multiple tools are used in order to reach more valid results. In the following section, the new and old selection techniques will be examined.

2.6.1.1 Employment Tests

Testing is a selection tool that is designed to determine whether an applicant is qualified for the job. The main objective is assessment of intelligence, ability, achievement, personality traits, and performance of the employee. Testing, when compared with other methods, has the best foundation in research, measurement theory, and has advanced in the development of standards for evaluation.²⁹

Tests, as objective and standardized procedures, are able to measure psychological constructs by using samples of behaviors. Tests are an objective in that responses can be evaluated against external standards. These measurements against truths or qualities could yield results such as correct or incorrect, better or poorer compared to the standard.³⁰

There are literally hundreds of tests that can be used by organizations for different purposes such as measuring intelligence, achievement, personality traits, interests, motor and physical abilities, etc. For talent management purposes the most commonly used tests are cognitive ability tests that help organizations understand to what extent the candidates know, understand, perceive, remember, or can perform mentally. They include general mental ability tests, aptitude tests, achievement tests, and specific cognitive abilities. These tests measure intellectual process such as thinking, memorizing, and problem solving.³¹

2.6.1.2 Application Form

Application forms are the company-specific employment forms used to generate specific information the company wants.³² During the identification process, after the

²⁹ Guion, Robert M., **Assessment, Measurement and Prediction for Personnel Decisions**, Manwah : Lawrence Erlbaum Associates Publishers, 1998, p.172

³⁰ Guion, 1998, p.485

³¹ *ibid*, p.486

³² De Cenzo, Robbins 1996, p.172-196

initial screening has been completed, applicants are asked to complete the organization's application form. Given that these forms are company dependent, their content and the extent of information required will change from organization to organization.

Some researchers have demonstrated that the application forms may be a valuable predictive device in the identification of employees for certain types of positions. Such personal factors as age, number of dependents, membership in social organizations, years of education, previous earnings, career history, years on last job and others are often closely correlated not only with length of service but also with success on the job. Some information like past experiences and achievements covered in the application forms might aid to identify the talented people in the first hand³³.

2.6.1.3 Interview

Interviews play an important role in the identification of talented people. Interviews are the most widely used screening tool that give an organization a chance to appraise the candidate personally, and to carry out in depth questioning in a way where tests may be inadequate. These interviews provide the organization with the opportunity to understand whether the applicant possesses the critical knowledge, skills, abilities, and interests that are required to become successful in the targeted position.

The employment interview is defined as an exchange of information between interviewer and candidate in which the interviewers inquire into the candidate's work-related knowledge, skills and abilities; motivations; and values. The overall objective is to attract, select and retain a highly competent and productive workforce.

Although interviews are popular due to their flexibility, which means that they can be adapted to unskilled, skilled, managerial, and staff employees, they have certain shortcomings. These shortcomings are usually derived from the various aspects which

³³ Thorne, Pellant, p.127-139

may adversely affect the reliability and validity of the interview. Because it is possible that the interpretation of the interview results may vary from interviewer to interviewer, interviews may lack reliability. In order to improve the reliability of interviews a standardization of questions is needed and the interviews should be made to record the results in a systematical way. As Herroit explains: “The questions [asked in an interview] are often based on a job analysis, and ask the interviewees what they would do in certain job related situations”.³⁴

2.6.1.4 Background Investigations and Reference Checks

Background investigation and reference checks are used more extensively today. To gain more information about the candidate, some interviews or calls can be conducted with the previous employer of the candidates. Through these means, the reason for candidate leaving his/her previous job along with his/her attitudes, successes, and cooperation skills can be learnt from a reliable source. There are certain drawbacks in that sometimes these sources may not be objective or the companies may not wish to share their old employee’s information with others, however, in general background investigations and reference checks provide valuable information about the previous performance of the candidates.

2.6.1.5 Biographical Information

Biographical data (information about an individual’s history) is generally a good predictor of job performance. The emerging trend of “bio-data” selection procedures help to confine and systematically define a method of using such past data. Factors such as past behavior, attitudes, interests, and demographic background are given a mathematical weight to produce a score for each individual. Personal history factors

³⁴ Herriot, Peter., **Assessment and Selection in Organizatio** ‘**Methods and Practice for Recruitment and Appraisal**. England : John Wiley & Sons Inc, 1992, p. 433.

which are found to give the best prediction of future job success receive the most weight in the scoring process.³⁵

This method has two major drawbacks. First of all it relies on past performance outside of the company, thus the predictive value in the current job could be hurt if the candidate is moving to a new field or environment. Secondly biographical information form is a self-report instrument and open to bias, although items are exclusively in a multiple-choice format, typically it includes a larger sample of items and frequently it includes items that are normally covered in weighted application forms.³⁶ Therefore, this approach is generally used for pre-selection screening rather than final decision.

2.6.1.6 Assessment Centers

Being the main topic of this thesis, Assessment Centers will be explored in great depth later on. At this stage it is suffice to say that assessment Centers are usually designed by consultants (in some cases psychologists or experts who have valid training and experience in evaluation processes), are highly credited for their objectivity, and are based on job analysis data. They are most often designed for selection, promotion, development planning, and training purposes.³⁷

2.6.2 The Tools for the Development of the Talented People

The development of talented people is one of the most important parts of talent management. In this section the development tools in relation to talented people will be discussed.

In the development of talented people, organizations both create opportunities within their structure and use new and old development tools. Generally multiple tools

³⁵ Cowling, Alan, & Mailer Chloe, **Managing HRM**, 2nd edition. New York : Prentice Hall. 1990, p.58

³⁶ Cascio, Wayne F., **Human Resources Management**. 5th edition, US : Prentice Hall., 1998, p.189.

³⁷ Spsychalski, A.C., Quinones, M.A., Gaugler, B.B., Pohley, K., "A survey of assessment center practices in organizations in the United States", **Personnel Psychology**, Vol.50, 1997, No.1,p.71-90.

are used in order to reach more effective results. In the following section, the new and old development tools will be examined.

2.6.2.1 Orientation Programs

Orientation is “the process of introducing new employees to the organization so that they can quickly become effective contributors.”³⁸ An orientation program familiarizes the new employee with the company’s culture, mission, vision, objectives, values and rules.

The basic aims of orientation programs are reducing the anxiety and uncertainty of new employees and to also ease the burden that socializing newcomers place on supervisors and coworkers. In addition to that it provides favorable initial job experiences for new employees. An effective orientation program can play a significant role in employee satisfaction, performance and retention.³⁹

2.6.2.2 Assessment Centers

Being the main topic of this thesis, Assessment Centers will be explored in great depth later on. Briefly, the most common assessment center techniques are the case-study analysis, decision games and role plays.

2.6.2.3 Job Rotations

Job rotation offers employees to take responsibility of different duties in departments. It involves moving employees to various positions in the organization in an effort to expand their skills, knowledge, and abilities. It allows the employee to diversify his/her skills, activities, and responsibilities which in return helps the development of the employee.

³⁸ Denissi & Griffin, 2001. p. 270.

³⁹ *ibid*, p.271.

Job rotation represents an excellent method for broadening an individual's exposure to company operations and to socialize with coworkers. It also provides opportunities for a more comprehensive and reliable evaluation of the employee by his/her supervisor.⁴⁰

2.6.2.4 Coaching and Mentoring

Coaching by definition is to aid someone to see and do things differently – better, faster, and more effectively.

Coaching utilizes a combination of feedback and questioning. In Duttagupta's model the primary objective of coaching is helping the trainee through a process of: opening up awareness; creating understanding; encouraging exploration and experimentation; taking responsibility; committing; taking action; and reviewing action and taking the next steps. Primarily, coaching concentrates on improving performance in a current role and at a specific stage in the individual's career.

While coaching is focused on “today” mentoring, on the other hand, is the process of developing and growing the individual for “future” (often unspecified) roles. Mentoring works on a person's perceived potential and how this might be realized in the foreseeable future. It is likely to focus on aspects of potential such as the transferable competencies, for example: helicopter quality (the ability to see higher and wider than the immediate situation); the ability to influence upwards, within (or outside) the organization; the capacity to grip a situation, in a crisis, especially when superiors are not present; high innovative ability and the capacity to provide new solutions to challenges; high adaptability and an ability to operate successfully in a variety of different cultures; high common sense in dealing with everyday situations; steadiness under pressure; and the consistent ability to deliver (as opposed merely to talking about things).⁴¹

⁴⁰ DeCenzo & Robbins, 1999, p.234.

⁴¹ Duttagupta, 2005

2.6.2.5 Empowering and Sponsoring

Empowering is giving employees accountability and authority within certain boundaries so that they can make their own decision. Successful empowering involves setting clear boundaries for autonomy – freedom within a framework – so that there is absolute clarity and agreement about what has to be done along with there the employee can use his/her discretion.

In short, empowering people is about establishing focused and independent thinking and action, within defined boundaries. Empowering, therefore, always needs to be considered in the context of delegation, where specific parameters and interdependences give definition to the boundaries and invest in the exercise of autonomy with purpose, direction and significance.

Sponsoring is the process of opening doors, removing barriers and eliminating unnecessary bureaucracy, on behalf of a talented person, so that they are brought to the attention of senior executives and other important players in the organization. This helps the employees to use their talents to make a bigger, or more appropriate, contribution to the business. The ideal sponsor should be a committed senior professional, who knows and understands what is wanted, who cares about achieving results, who can make things happen within the business and who will make it happen.⁴²

2.6.2.6 Assistant-To Positions

Employees who showed potential are sometimes given the opportunity to work under a seasoned and successful manager, often in different areas of the organization. Working as staff assistants or, in some cases, serving on “special boards,” these individuals perform many duties under the supervision of the coach. In doing so, these

⁴² Duttagupta, 2005

employees get exposure to a wide variety of management activities and are prepared for assuming the duties of the next higher level.

2.6.2.7 Project Assignments

Project assignments can provide an opportunity for the employee to share in decision-making, to learn by watching others, and to investigate specific organizational problems. These assignments increase the employee's exposure to other members of the organization, broadens his/her understanding, and provides an opportunity to grow and make recommendations under the inquiry of other project members.⁴³

2.6.3 The Tools for the Retention of Talented People

Most companies give significant importance to recruitment and development of talented employees. They continuously develop new systems and processes in order to improve these functions. Although they give priority to the functions, few of them give adequate importance to the retention problem. The cost of having to replace the talented people in terms of time and money and disruption after the departure of these people is sometimes very high for the organizations.

According to the research conducted by McKinsey Company, companies focus only on the top executives, where average attrition is below relative low (4 percent a year). However, it is the early and middle ranks of managers (3 to 8 years of experience), that need to be focused on as this group represent the company's investment in its future.⁴⁴ Paradoxically, according to the survey published in The Towers Perrin Talent Report in 2001, 92% of respondents believe it is as difficult or more difficult to motivate and engage employees.

According to the McKinsey report creating and delivering a great employee value proposition is clearly the best way to retain people, yet only 16 percent of those

⁴³ DeCenzo & Robbins, 1999, p.234.

⁴⁴ McKinsey Company 2001, p.9-12.

surveyed say they are effective at giving high performers more exciting jobs to retain them. Giving the talented people a sense of belonging, sending them a clear message that they are valued, and finally if possible giving them a great boss are the important factors for retaining the talented people within the organizations.⁴⁵ In the following section, the ways of retaining the talented people is discussed.

2.6.3.1 Increasing employee engagement

A key factor in retention is driven through the engagement of these high caliber employees. Engagement is ensuring that the employees feel highly committed and motivated in working for that employer. In general when engagement is high, employees care for the future of the company, feel proud of working for the company, attain a sense of personal accomplishment, and have an understanding as to how the employee's role relates the company goals and objectives.

The research conducted by Towers Perrin (2003) confirms that a definition of engagement involves both emotional and rational factors relating to work and the overall work performance. This emotional/rational duality is in fact a combination of "the will" and "the way". According to the report, employees need "the will": the sense of mission, passion and pride that motivates them to give their full hearth, body, and soul. And they need "the way": the resources, support and tools from the organization to act on their sense of mission and passion.

Although the defining of engagement is important for organizations, the determination of factors that create engagement is crucial. The research mentioned above ranked the top drivers of engagement, among these the five of most important are;

- Senior management's interest in employees' well-being
- Challenging work
- Decision-making authority

⁴⁵ McKinsey & Company 2001

- Evidence that the company is focused on customers
- Career advancement opportunities⁴⁶

2.6.3.2 Building a supportive culture

According to Sheridan variations in cultural values has a significant effect on the rates at which the newly hired employees voluntarily terminated employment. The relationship between the employees' job performance and their retention also vary significantly with organizational culture values. The cultural effects were stronger than the combined exogenous influences of the labor market and the new employees' demographic characteristics.⁴⁷

One aspect of culture is the ability of the employee to speak his or her mind freely within the organization. If the organization solicits ideas and provides an environment in which people are comfortable providing feedbacks this will help employees to offer ideas, feel free to criticize and commit to continuous improvement.

2.6.3.3 The Performance Appraisal System

Performance Appraisal is “the specific and formal evaluation of an employee in order to determine the degree to which the employee performing his/her job effectively”.⁴⁸

The objective of performance appraisal system is to provide a valid and reliable measure of the employee’s performance according to the determined core competencies. In conducting performance appraisals there are three basic factors which need to be considered: identification, measurement, and future orientation. Identification means determining which specific areas of work the manager should examine when measuring

⁴⁶ The Towers Perrin Talent Report 2003

⁴⁷ John E. Sheridan, “Organizational Culture and Employee Retention”, **The Academy of Management Journal**, Vol. 35, No. 5, 1992, p. 1036-1056

⁴⁸ DeNisi, A. S., Griffin, R. W., **Human Resource Management**. Boston: Houghton Mifflin Company. 2001, p.233.

the performance of the subordinate. In measurement, the essential thing is the deployment of comparable rating standards that should be used for all employees. Finally, appraisals must have a future-oriented role of what employees can do to achieve their potential in the organization.⁴⁹

The performance appraisal system is critical in that it provides significant outcomes for the company's various human resources activities. It plays an important role in the compensation system and legal system of the company. With the results of performance appraisals, the employees who created value in the company are determined and rewarded accordingly. Their training and development needs are determined and the programs for necessary trainings are arranged accordingly.

In addition to that, it helps to evaluate and benchmark the recruitment and selection performance of the company. Companies are looking for talented people to recruit. With the help of performance appraisal, managers can assess the extent to which they are indeed recruiting and selecting the most appropriate employees. Finally, performance appraisals provide useful information to companies' human resources planning process. HR professionals can make future assumptions in accordance with the current employees' performance.

There are different types of performance appraisal methods. These methods can be categorized in four different categories as trait-based, behavior-based, knowledge/skill-based and result-based according to their measurement focus.

The trait-based system accepts the personal traits as performance drivers and focuses on measurement of personal characteristics. In behavior-based systems, behaviors are the key performance drivers and for knowledge/skill-based appraisal systems certain knowledge/skills drive performance and it measures what the position

⁴⁹ Gomez-Mejica, L. R, Balkin, D. B, and Cardy, R. L, **Managing Human Resources**, 4th Edition, New Jersey: Pearson Education International, 2004, p.222-223.

incumbent knows/applies. In the last system the focus is on achievement of objectives and it measures what the position incumbent achieves.⁵⁰

2.6.3.4 Building a recognition system

Recognition in any form is important to the recipients. Every employee appreciates recognition when the occasion warrants it. Every contribution made by any employee deserves attention; if that attention is sincere and consistent, most employees will accelerate their efforts to reach the next goal, feel a stronger bond with the company, and have an improved morale.⁵¹

Recognition must be fair and appropriate. Clear and definitive boundaries must be set and applied to all of the rewards given. Whatever the reward, the level must be appropriate to the improvement made. Accomplishments that should not be rewarded are those that are expected as part of the work assignment, such as perfect attendance.

Formal policies and procedures must be consistently applied throughout the organization. Although certain rewards might have been appropriately given, the granting must be consistent from one achievement to the next similar one. If recognition systems are not monitored regularly for inconsistencies, they might become negative motivators.

Finally, recognition and the subsequent reward must be timely to the achievement. The employee, team, or work group is excited about its accomplishment when it is achieved, not weeks or months later. Significant actions must be rewarded (or at least acknowledged) as soon as possible

⁵⁰ Berger & Berger, 2004, p.86.

⁵¹ Gene H. Milas, "How to Develop a Meaningful Employee Recognition Program", **Quality Progress**, 1995, p. 141 - 145

2.6.3.5 Using a Total Reward System

The notion of total reward suggests that there is more to rewarding people than just giving them money.

According to O'Neal it can help create a work experience that meets the needs of employees and encourages them to contribute extra effort, by developing a deal that addresses a broad range of issues and spending reward dollars where they will be most effective in addressing workers' shifting values.⁵²

Pfeffer states it as creating a fun, challenging, and empowering work environment in which individuals are able to use their abilities to do meaningful jobs for which they are shown appreciation.⁵³

In other words total rewards not only encompasses traditional, quantifiable elements like salary, variable pay and benefits, but also includes more intangible non-cash elements such as scope to achieve and exercise responsibility, career opportunities, learning and developments, the intrinsic motivation provided by the work itself and the quality of working life provided by the organization.⁵⁴ The benefits of the total reward approach are as follows:

Greater impact: the combined effect of different rewards will make a deeper and longer-lasting impact on motivation.

Flexibility to meet individual needs: Bloom and Milkovitch state that relational rewards (intangible rewards concerned with learning, development, and work experience) bind individuals more strongly to the organization because they can answer special individual needs.⁵⁵

⁵² O'Neal s., "The phenomenon of Total Rewards", **ACA Journal**,1998,Vol.7, p.8-12.

⁵³ Pfeffer G, **The human equation**, Boston: Harvard Business Schools Press, 1998

⁵⁴ Thompson P, **Total reward**, CIPD, London 2002

⁵⁵ Bloom M and Milkovich G, "Rethinking international compensation", **Compensation and Benefits Review**, 1998, p.17-27.

Talent Management: intangible rewards help to deliver a positive psychological contract and this can serve a differentiator in the company's systems. The employee can thus become a 'great place to work' and retain the talented people it needs.

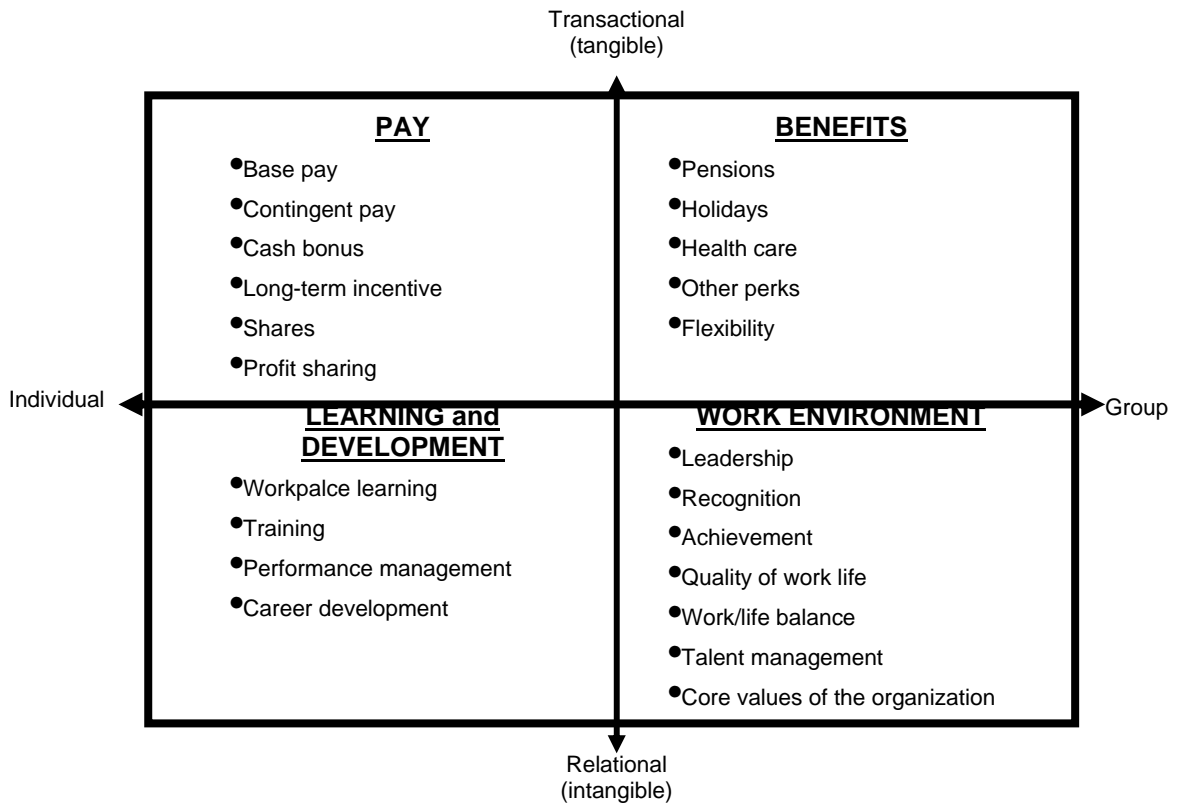


Figure 3: A Model for total rewards, Armstrong Micheal, A handbook of human Resources Management Practice, Kogan Page Ltd, 2006, p.633.

2.7 The Strategies for Successful Talent Management

In this section, the commonly used two talent management models are explained. The first model was developed by a McKinsey & Company that conducted detailed research about talent management trends in USA and Canada. The other is designed by Duttagupta in 2005.

2.7.1 McKinsey & Company Model

The research conducted by McKinsey Company (2001) shows the importance of successful talent management in the performance of companies and they determine five basic steps for the success of talent management.⁵⁶

1. Instill a talent mindset at all levels of the organization beginning with senior management.

A talent mindset is the deeply held belief that building a strong management talent pool is critical to achieving the aspirations of the company. Leaders with a talent mindset roll up their sleeves and make talent their job; they continuously create, champion, and drive new ways to bolster talent. They ensure that the link between business strategy and talent requirements is forged. They hold themselves and leaders at all levels of the organization accountable for the strength of the talent pool.

The Talent Mindset has three core elements as;

Belief in the importance of talent: The fundamental belief that having better talent in critical jobs and a strong feeder pool is a source of competitive advantage.

Accountability for talent: Managers at all levels of the organization are held accountable for building the strength of the talent pool.

Rigorous, candid talent reviews: Rigorous talent review process that identifies stars and strugglers and yields specific actions to develop people to their potential

2. Create a winning Employee Value Proposition (EVP) that brings scarce talent through the doors, and keeps them there.

Companies should create an Employee Value Proposition to answer the question “Why would a talented person want to work here?” and while designing this, not only

⁵⁶ McKinsey & Company 2001

should they focus on the needs of specific talent segments, but also they should give importance to some basic elements like exciting work, great company environment, wealth and reward programs and lastly growth and development opportunities.

Exciting Work: People want interesting, challenging jobs and they want to feel passionate about their work. A great job is demanding and stretching and full of requirements that the individual finds interesting and worthwhile.

Great Company: Managers want to work for companies that are well-managed, that have admirable corporate cultures and values, and great leaders. Two aspects of culture are critical: A strong emphasis on performance and an environment that is open and trusting.

Wealth and reward: People want to make money that is commensurate with the value they create and with the amount they could earn elsewhere. This is about more than the tangible value of the money; people want to feel recognized and valued for their individual contributions.

Growth and development: Today people realize that their skills are their only real securities. Therefore, they want to work organizations where they can improve and develop their skills.

3. Recruit great talent continuously.

Bringing talent at all levels of organizations even senior levels is a very important issue. Successful companies see recruitment as a marketing opportunity rather than a purchase; the candidate is the customer and the company must market its jobs in an increasingly competitive marketplace.

4. Grow great leaders.

Most companies leave a tremendous amount of human potential unrealized because their people are inadequately developed. Talented people crave the opportunity to grow, and without it they'll leave. Creating great leaders means deliberately giving people job challenges that push the bounds of what they thought themselves capable of. At the same time, it means providing the life preservers for succeeding at "stretch" opportunities. It means giving people the candid feedback they need in order to grow, without the sweaty palms that often accompany these infrequent exchanges. It means weaving mentoring into the fabric of the organization – so that it is *in* the institution, and not an appendage.

5. Differentiate and affirm.

Companies too often give in to the temptation to treat all their people the same way. The leading companies conduct clear-eyed assessments of their talent; they differentiate between how they invest in top performers and low performers. They shower top performers with job opportunities that excite and challenge them, and pay them for the value they create. Furthermore, they recognize that poor performers are not only failing in their own jobs, but are also bringing down everyone around them. These companies realize that moving underperformers, whether to a different position or out of the company, is both a difficult task and the obligation of leaders. At the same time, they do not overlook the development of the large number of solid performers throughout the organization who are neither superstars nor blockers. They raise the performance and job satisfaction of these people to a higher level through development and affirmation, improving the odds that these workers feel vital to the future of the business.

Five Elements of a Successful Talent Formula

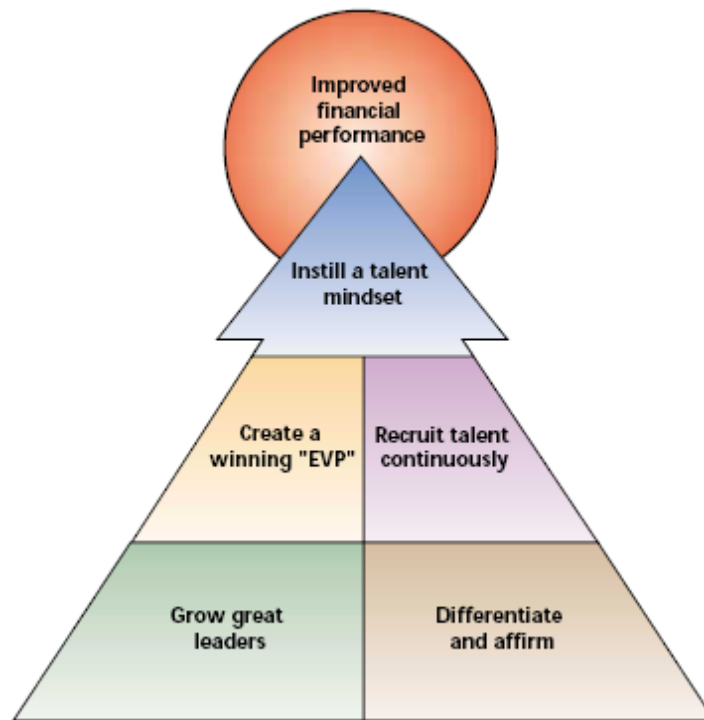


Figure 4: Mc Kinsey& Company Talent Model, 2001

2.7.2 Duttagupta's Model (2005)

Duttagupta improved the McKinsey & Company model and form their own model. This model, based on external research and empirical evidence suggest that companies that implement winning strategies for attracting and retaining the best people tend to base on four major principles:⁵⁷

1. *Build a winning environment:*

While building a winning environment, organizations should answer two key questions: “Why would outstanding talent want to join our organization?” and “What specifically or uniquely, would they be likely to get by joining us?” In order to successfully answer these questions, the companies should be seeking to provide personal and professional challenges which stretch the individual; opportunities to

⁵⁷ Duttagupta, 2005

create productive impact; opportunities for continuous learning, development and personal growth; talented leaders and great team mates and rewards and aspiration people.

2. Establish a talent management mindset:

The right talent management mindset is underpinned by trained competence in four major areas of leadership and management capability as coaching, mentoring, empowering and sponsoring.

3. Creating the means to identify and deploy outstanding talent:

In this principle, it is important to know what the company is looking for, that is, what talent they need for the business, now and in the foreseeable future; knowing how best to source such talent; recognizing it when they meet it; and going for it, getting it and deploying it for optimum effect within the business.

4. Fully engage and develop talent:

Engaging talent means using it intelligently and mobilizing it in alignment with corporate and functional goals, so that the individual can add maximum value by exercising his/her principal strengths at every opportunity. The continuous development is important for engaging and retaining the talented people within the organization.

3. ASSESSMENT CENTERS

With the changes in the dynamics of the business environment and organizational structures, companies start to use the various tools effectively and efficiently in their Human Resources practices. Therefore, assessment centers have become one of the most commonly used HR tools within the companies and turned to an integral part of today's Human Resources practices since it provide valuable inputs to organizations in respect to the selection, development, and appraisal of the employees.

Since their first industrial application by AT&T, assessment centers have been used in numerous organizations, both in private and public sector. They are currently being used in industrial, educational, military, government, law enforcement, and other organizational settings. Assessment centers can have a major impact on staffing decisions, placement strategies, succession planning efforts, feedback policies, and training and development activities.⁵⁸

Assessment Centers are usually designed by consultants (in some cases psychologists or experts who have valid training and experience in evaluation processes), are highly credited for their objectivity, and are based on job analysis data. They are most often designed for selection, promotion, development planning, and training purposes.⁵⁹ In this section, the detailed information about the definition, history, the importance of the assessment centers and the use of them will be provided. The phases of assessment centers and the validity of the method will be examined. Finally, criticisms and limitations of the Assessment Centers will be discussed.

⁵⁸ Craig, R. L. (Editor in Chief) Moses, J. L., **Assessment Centers. Training and Development Handbook**, McGraw-Hill Book Company. 1987, p.248-262

⁵⁹ Spsychalski, A.C., Quinones, M.A., Gaugler, B.B., Pohley, K., "A survey of assessment center practices in organizations in the United States", **Personnel Psychology**, Vol.50, 1997, No.1,p.71-90.

3.1 The Definition of Assessment Centers

Today assessment centers are used in many organizations to evaluate millions of people each year. According to Fiedler at least 50% of major U.S. employers use some type of assessment centers and top Human Resources Executives accept assessment centers to be an effective approach to recruitment and promotion of the employees.⁶⁰

Although assessment centers can be used for a variety of purposes, the primary use of assessment centers during its 30 year applied history has been to select those with the potential to advance to more challenging job assignments.⁶¹

Eventhough the type of assessment methods varies, there is a clear consensus as to how assessment center are defined. In the 28th International Congress on Assessment Center Methods, Assessment Center has been defined as ‘a process employing multiple techniques and multiple assessors to produce judgments regarding the extent to which a participant displays selected competencies’.⁶²

According to Thornton, an assessment center is ‘a procedure for evaluating people in terms of human attributes, abilities, or capabilities that are judged to be relevant to organizational effectiveness’.⁶³

Assessment centers are the popular and enduring approaches to measuring individual skills and capabilities in both private and public organizations, particularly

⁶⁰ Fiedler, A., “Adverse impact on Hispanic job applicants during assessment center evaluations”, **Hispanic Journal of Behavioral Sciences**, Vol.23, 2001, p.102-110.

⁶¹ Craig & Moses, 1987, p.248-262.

⁶²International Task Force on Assessment Center Guidelines, Congress of Assessment Centers, www.assessmentcenters.org

⁶³ Hagan, C. M., Konopaske, R., Bernardin, H. J., & Tyler, C. L., “Predicting assessment center performance with 360-degree, top-down, and customer-based competency assessments.” **Human Resources Management**, Vol. 45, 2006, No.3, p.362.

for the assessment of managers and the ones who have the managerial potential.⁶⁴ Briefly, an assessment center can be defined as a standardized evaluation of behavior based on multiple evaluations techniques.

Assessment centers focuses on functional behaviors and performance of the people in work-settings by observing them, using an array of work-related simulations. One of the main reasons behind the success of assessment centers has been the explicit management involvement during the execution. From a managerial perspective, it provides valid information about strengths and weaknesses of individual for a specific position.⁶⁵

To be considered an assessment centers the process has to demonstrate certain characteristics: It has to (1) make use of situational tests or work samples, (2) to elicit specific behavior, (3) which is observed by trained assessors, (4) who make independent evaluations across multiple competencies about what they have seen, and (5) then pool their observations with other trained assessors to arrive at an overall assessment center rating.⁶⁶ By delivering on this standards assessment centers ensure that they remain objective, deliver a fair and unbiased evaluation of the candidate, and gain the support of both the candidate and the management.

According to the Task Force on Assessment Center Standards, an assessment center must have the following criteria:

- Assessment Center must contain an explicit definition of the determinants of managerial effectiveness. Often these are called dimensions/competencies or assessment variables. These are identified using a variety of job analytic techniques to ensure that the behaviors measures are relevant.

⁶⁴ Arthur, W., Jr., Woehr, D. J., and Maldegen, R, “Convergent and discriminant validity of assessment center dimensions: A conceptual and empirical re-examination of assessment center construct-related validity paradox”. **Journal of Management**, Vol.26, 2000, No.4, p.813-835.

⁶⁵ Tillema, H. H., “Assessment of potential, from assessment centers to development centers”, **International Journal of Selection and Assessment**, Vol.6, 1998, No.3, p.185-191.

⁶⁶ Hagan, Konopaske, Bernardin and Tyler, 2006, p.362

- Multiple measurement techniques, including simulations, are used. Simulations are exercises which provide the participant with behavioral stimuli representing important aspects of job behavior.
- Performance of behavior is observed and evaluated by selected, trained team managers who are knowledgeable about the target position.
- Integration of information occurs after all the measurement techniques are completed, at an assessment evaluation session. Here, ratings made on specific dimensions are pooled and discussed, and overall predictions of potential, placement strategies, or development needs are made.⁶⁷

Moses briefly summarized the basics of assessment center as; a set of characteristics or dimensions that are to be measured; a series of exercises or simulations which stress behaviors related to dimensions/competencies identified; a trained assessment staff that can observe, report, evaluate, and feedback these behaviors; and finally a management system which intelligently uses the results of this program. In addition to these, job analysis is a key step in assessment centers which helps to identify critical competencies of managerial performance and provides useful insights for designing simulations to reflect the organizational context in which a manager operates.⁶⁸

3.2 The History of Assessment Centers

The Assessment Centers have evolved significantly since their inception, during this period they have adapted to new selection/ evaluation techniques which have been developed/ improved from the beginning of the 20th century. Originally, the first assessment center program was designed by Dr. Henry Murray, is used during the World War II to select spies for Office of Strategic Services.

In 1956, American Telephone and Telegraph Company (AT&T) was the first corporate company that used the assessment centers. It was an operational assessment center to select company's foremen.

⁶⁷ Craig and Moses, 1987, p.248-262.

⁶⁸ *ibid*

The program was designed and directed by Douglas Bray. It was a longitudinal study of manager development and used assessment techniques like interview, in-basket exercise, business game, leaderless group discussion, projective tests (TAT) and paper and pencil tests (cognitive and personality) etc.

Following in the footsteps of AT&T another groundbreaking study was conducted in 1958 by Bell. Michigan Bell Personnel Assessment Program was designed to select 1st-line supervisors from craft population. In this program the motivational and personality tests were removed, behavioral simulations played even larger role. The dimensions were configured to be based upon job analysis and focus upon behavior predicting behavior. Standardized rating and consensus process were used.⁶⁹

After AT&T and Bell's pioneering studies other large companies like IBM, General Electric welcomed Assessment Centers in their organizations. Although the initial focus of these programs was selection, later the method was used to identify potential for the purposes of management development, career development and training.⁷⁰

As assessment centers became widespread and as more corporations become involved the first steps in standardization also started to take place. In 1972, the International Congress on the Assessment Center Method was formed and the development and dissemination of standards for assessment centers was one of the first products. These were based on the observations and experience of a group of professionals representing many of the largest users of assessment centers. During this period the other important event was the passage of the Civil Rights Act of 1964, the formation of the Equal Employment Opportunity Commission, and the demonstration

⁶⁹ Waldron, B., Joines, R. "Introduction to Assessment Centers". A Workshop Conducted at the IPMAAC Conference on Public Personnel Assessment Charleston, South Carolina. 1997.

⁷⁰ Jansen, P., and Jongh, F., **Assessment Centres**, John Wiley & Sons, 1997.

that assessment centers were useful and fair techniques for the identification of potential among women and minorities.⁷¹

Between 1972 and 1989, the guidelines that reflect the standards of assessment center method was evaluated and revised several times. In 1989 *the Guidelines and Ethical Considerations for Assessment Center Operations*, as professional guideline regarding assessment center development and use, was issued. This guideline outlines the essential elements and activities of an assessment center. Furthermore the guideline describes the kinds of activities that do not constitute an assessment center and include specification of the role of the job analysis, clearly stated the types of competencies/dimensions to be assessed and whether or not certain competencies/dimensions must be used. The guidelines also clearly explain the processes of observing, recording, evaluating, and aggregating information. Finally these guidelines provide specification has to how assessor should be trained.⁷²

The above mentioned guidelines have helped to streamline the assessment center process and more importantly have helped to make different assessment comparable.

3.3 The Importance and Benefits of Assessment Centers

Over the years assessment centers have also adjusted to modern human resources process and broadened in scope. Although initially assessment centers were developed for selection purposes today they have a major impact on different Human Resources activities like staffing decisions, placement strategies, succession planning efforts, feedback policies, and training and development activities.

⁷¹ Craig and Moses, 1987. p.248-262.

⁷² International Task Force on Assessment Center Guidelines, *Guidelines and Ethical Considerations for Assessment Center Operations*. 28th International Congress on Assessment Center Methods, San Francisco, 2000

The main reason for the broadening of this scope has lead assessment centers to survived and flourished successfully over the years. There are three major reasons behind this success.

- First, assessment centers rest on a strong research base. This base helped assessment centers to provide relevant and applicable results that have been accepted by all parties.
- Second, the focus of assessment has been on behavior, rather than abstract traits or characteristics. Feedback is provided that stresses what was done, rather than what was intended. Thus, it has been easier to take corrective action, making the outcomes acceptable to the participants.
- Finally, both job analytic techniques and assessment center instrumentation have been made available through commercial vendors to any organization interested in exploring this technique. The continuous feedback between researchers, centers, and commercial vendors as helped to improve the assessment center processes and keep them up to date in light of new developments.⁷³

Given that the objective of the assessment center is to produce reliable and valid learning regarding the selection or development of candidates, the assessment center method, different than the other methods, utilizes various individual assessment procedures in combination with each other. Thus, the assessment center occupies several different types of assessment techniques like tests, simulation exercises, interviews etc in conjunction. Also by using multiple simulation exercises representing important elements of the target job, observation of complex behaviors relevant to managerial competencies, multiple trained assessors, and a systematic process of pooling observations and integrating the evaluations the assessment center reaches a unified and concrete conclusion regarding the task and candidate.⁷⁴

⁷³ Craig and Moses, 1987, p.250

⁷⁴ Thornton G.C., and Rupp D.E., **Assessment Centers in Human Resources Management: Strategies for Prediction, Diagnosis and Development**, London: Lawrence Erlbaum Associates, 2006.

Even though many other assessment techniques try to evaluate the candidate's performance by observing their behavior and assessing their performance in previous jobs. The major difference is that with the assessment center method candidate's potential is assessed and it can give companies a comprehensive idea of the capacities of employees.

Moreover, with the use of simulation exercises in the assessment center method assessors have an opportunity to observe complex behaviors of candidates as they interact with other people, solve problems and act upon their analyses. Although it is very difficult and expensive to develop and implement Assessment Centre Simulations, according to Thornton & Mueller-Hanson, they have significant advantages. Competencies like problem solving, leadership are difficult to assess qualitatively without seeing complex, overt behavior displayed in simulations. Assessment centers generally allow for the simultaneous measurement of multiple behavior dimensions and typically show less adverse impact against legally protected groups than paper-and-pencil tests of cognitive abilities and they are perceived to be more job-relevant than paper-and-pencil tests.

In addition to that, well-developed assessment center exercises are valid for predicting future job performance and promotion. They can be tailored to meet the individual organization's needs. In addition to these, they are versatile and can be used for other purposes beyond evaluation, such as training, development, and research.⁷⁵

Although assessment centers can provide a good indication of a candidate's present and future performance, they cannot provide completely airtight predictions, but does come very near to achieving this when used in combination with comprehensive selection techniques. Thus, the assessment center results should be combined with information gathered from interviews, psychological tests and job evaluations that are basing criteria upon the demands of a job⁷⁶.

⁷⁵ Jansen, P., and Jongh, F. 1997

⁷⁶ Thornton and Rupp, 2006, p.2-17.

As mentioned before, Assessment Centers has basic advantages in the selection and development of the employees. In the following table the basic characteristics of alternative assessment methods and Assessment Centers are compared.

Table 2 Comparison of Alternative Assessment Methods and Assessment Centers

Alternative Assessment Techniques	Assessment Center Method
<p><u>Individual assessment:</u></p> <ul style="list-style-type: none"> - Holistic judgement made - Assessment conducted by a single person - One individual assessed at a time 	<ul style="list-style-type: none"> - Specific judgements made, which may be combined into an overall rating - Judgements made by multiple assessors - Multiple individuals can be assessed simultaneously
<p><u>Multisource feedback:</u></p> <ul style="list-style-type: none"> - Assessors receive limited to no training - Feedback is mostly written - Multiple assessors used, supervisors etc 	<ul style="list-style-type: none"> - Assessors receive extensive training - Feedback is often oral and written - Multiple assessors used, hr or outside organization
<p><u>Behavioral background interview:</u></p> <ul style="list-style-type: none"> - Self reports of past behavior - Can be faked 	<ul style="list-style-type: none"> - Observations of actual current behaviour - Difficult to fake: candidate must demonstrate actual behaviour
<p><u>Situational interview:</u></p> <ul style="list-style-type: none"> - Self report of intentions to behave 	<ul style="list-style-type: none"> - Observations of actual current behaviour
<p><u>Cognitive ability test:</u></p> <ul style="list-style-type: none"> - Abstract problems assigned - Abilities implied from responses to items - May cause adverse impact 	<ul style="list-style-type: none"> - Concrete, work-related problems assigned - Demonstration of overt behavior required - Little adverse impact caused
<p><u>Personality questionnaire:</u></p> <ul style="list-style-type: none"> - Easy to fake - Self description - Measures stable traits - Low face validity 	<ul style="list-style-type: none"> - Hard to fake - Description by observers - Can measure both stable traits and developable skills - Participants respond favourably

Source: Thornton & Rupp, 2006, p.8.

3.4 The Use of Assessment Centers

Even though assessment centers were initially established for selection of talent, they have evolved significantly over the past years. Today assessment centers are used for many different purposes such as employee selection, early identification of managerial talent, replacement decisions and development planning. Furthermore they are used for the identification of training needs, promotion, and management succession⁷⁷.

In order to avoid any misunderstanding when the usage of Assessment Centers is examined, *the Guidelines* recommend that a formal policy determining the relationship between the assessment center and the organization's human resource system be written and it should address the following areas:

1. The Objective of the assessment center: The selection, diagnosis for development, early identification, evaluation of potential, evaluation of competency, succession planning are some objectives of assessment center applications.
2. The assessee selection, notification, and evaluation process: the population to be assessed, the method for selecting assesses and procedure for notification should be specified.
3. The assessors, including training, certification, evaluation, and usage limit: The assessor population, assessor experience, limitations on use of assessors and evaluation of assessor performance should be specified.
4. Use of data: the process flow of assessment records within organization, individuals to receive reports, restrictions on access to information, procedures and controls for research and program evaluation purposes, feedback procedures to management and employees, and the length of time data will be maintained in files should be specified.

⁷⁷ Spsychalski, Quinoes, Gaugler and Pohley, 1997, p.71-90.

5. Qualifications of consultant(s) or assessment center developer(s): The internal or external consultant(s) responsible for the development of the center or of the exercises for the center should be identified and their professional qualifications specified.
6. Validation: The statement should specify the validation model like content-oriented validation strategy or criterion-related validation strategy etc. being used.

Assessment Centers provide valuable information that can be used by different human resources functions. These functions are developed to ensure that the organization recruits, selects, trains, compensates, and evaluates personnel in ways that support the organization's objectives.

The common use areas of assessment centers can be classified in three major groups as;

- (i) Selection and Promotion (Supervisors & managers, self-directed team members and sales)
- (ii) Diagnosis (Training & Development Needs and Placement)
- (iii) Development (Skill enhancement through simulations)⁷⁸.

According to the survey which was conducted by Spychalski, Quinoes, Gaugler, and Pohley, (1997) among the two hundred and fifteen organizations in the United States the most popular reasons for initially developing an assessment center were selection (50.0%), promotion (45.8%), and development planning (39.2%) purposes. Parallel to these expectations, the most popular decision making processes that relied on data from assessment centers were promotion (60.8%), selection (54.5%), and development planning (51.2%)⁷⁹. The following table compares some features of assessment center methods like participants, competencies, exercises and length in terms of the aim of the assessment center.

⁷⁸ Waldron & Joines, 1994.

⁷⁹ Spychalski, Quinoes, Gaugler and Pohley, 1997, p.71-90.

Table 3 Assessment Center design based on purpose

	Selection	Diagnosis	Development
Participants	High potential employees or applicants	All interested employees	All interested employees
Target Position	Position opening to be filled	Current or future positions	Current or future positions
Dimensions	Few, global, traits	Many, specific, developable, distinct	Few, developable, very specific
Exercises	Few (3-5), generic	Many (6-8), moderate similarity to the job	Many, work samples
Length	One half to one day	1.5-2 days	1.5-3 days
Key Outcome	Overall rating	Dimension profile	Behavioral suggestions
Feedback to	Participant, Mgr up 2 levels	Participant, Immediate Mgr	Participant
Feedback Type	Short, descriptive	Specific, diagnostic	Immediate verbal report, specific

Source: Waldron & Joines, 1994

Briefly, organizations use assessment centers for different purposes. Selection of a new employees, identification of potential employees to promote to higher levels of management, promotion of current employees, diagnosis of an individuals’ training needs, development of specific skills, identification of training needs are main motives in simulation development. Although all assessment centers have many features in general, each simulation must be designed somewhat differently depending on the use of assessment. In this section, the different uses of assessment centers; selection and promotion, diagnosis and development will be discussed briefly.

3.4.1 Selection and Promotion

One of the most important objectives of assessment center in the context as to which they are used by organizations is in selection and promotion. For selection and

promotion programs, organizations usually use assessment center to help managers identify candidates who have the abilities and potential to learn and grow in a new position. Thus, these assessment processes should assess attributes related to candidate's abilities and potential to learn. Therefore, the results of job analysis efforts are used to identify those attributes that the assessors should be focusing on during the exercises. These attributes must be clarified for all assessors so they have a common frame of reference for their observations.⁸⁰

In addition to the selection of new employees, the new trend in the use of assessment centers is the identification of potential employee for organizations which might be considered as an internal selection of employees with high potential. Taking a much longer term view these programs are designed to identify people with long-range potential, and the purpose of the exercise is to assess basic aptitudes and characteristics that indicate the person will develop over time. The exercises should provide opportunities to observe behavioral information relevant to predicting long-range success in a variety of higher level positions.

3.4.2 Diagnosis

Assessment center method is preferred tool in the diagnosis of employees by HR professionals. Skill acquisition requires intensive, time-consuming classroom training and must be coupled with opportunities for on-the-job practice and feedback so new behaviors are "set" in the individual's repertoire. Because skill development takes a lot of time and effort, everyone cannot be trained in every skill. The assessment center method provides an effective means to determine training or developmental needs. Individuals then can be placed in the most appropriate program.⁸¹

⁸⁰ Thornton & Rupp, 2006, p.266-272.

⁸¹ William C., Byham Ph. D., "The Assessment Center Method, Applications and Technologies".
<http://www.assessmentcenters.org/articles/whatisassess1.asp>

The assessment center method is an excellent diagnostic tool since it separates an individual's abilities into specific areas (dimensions/competencies) and then seeks specific examples of strong and weak behavior within each dimension. This helps the assessee and his/her supervisor determine more precisely what training and developmental activities are required.

The assessment centers when used with the objective of diagnosis have different goals and thus need to evaluate different competencies/dimensions. In these situations, the assessment center should measure only developable skills which are defined as one that can be improved in a relatively short time with reasonable amount of effort by the individual and the organization. Thus, the organization must think carefully about what feedback it can give to the participant, what training programs are available to improve weaknesses once they are diagnosed, and what support can be provided to the participant's immediate supervisor to help overcome deficiencies.⁸²

Most diagnostic assessment for managers is done within an organization using consultants. Assessment at the executive level takes place in elaborate, specially built assessment facilities operated by consultants.

In some instances, assessment centers can also be configured to diagnose training needs or make an assessment of those characteristics that cannot be developed in any reasonable amount of time despite organizational training activities.

3.4.3 Development

Final usage area of assessment centers is the developmental purposes. In the organization the development of the employees plays a significant role in the performance of the whole organization. Therefore, companies use different development tools in order to gain improved their workforce. Accordingly, Assessment Centers are became the one of the helpful development tools in many organizations.

⁸² Thornton & Rupp, 2006

Developmental assessment centers should be built around a somewhat different set of competencies/dimensions. Like the competencies in a diagnostic assessment center, the competencies here should be developable, but more specifically, they should be trainable in the context of the current assessment center or with reasonable follow-up efforts. Here the focus is much more short-term oriented as in these types of centers; the dimensions must be readily observable. It is also beneficial if the dimensions are qualities that can be observed by the participant's supervisor, coworkers, and subordinates, as it is a common practice to ask these people to provide descriptions of on-the-job behavior prior to the participant's attendance at the assessment center.⁸³

3.5 The Phases in an Assessment Center

As mentioned before, Assessment Center method had been used by the organizations for a quite a long period of time for different purposes. During this period, while they have adapted and changed in some dimensions, on the other hand some aspects have shown continuity. Continuity is obvious in the requirements that assessment centers include a number of essential common features. Change is evident in the modification of these features due to changes in the nature of work, organization structures, demographics of the workforce, and the technological advances.

In addition the above changes, there have also been variations in the competencies being assessed, exercises used to simulate organizational situations, the type of assessors used to observe and evaluate, data integration methods, and feedback types are seen.⁸⁴

In spite of the changes and variations, we can briefly summarize the whole Assessment Center process into six basic phases; conducting job analysis, determination of competencies/dimensions, determination and training of assessors, determination of assessment techniques, implementation of assessment center and finally evaluation of

⁸³ Thornton & Rupp, 2006, p.102-129.

⁸⁴*ibid*

assessment center. In this section, the detailed information about each phase will be provided.

3.5.1. Conducting Job Analysis:

Initiating a job analysis is the first and one of the most important steps in the design of an assessment center. Since it plays an important role during all steps of the process, it necessitates the collection of a wide variety of information about the job and the organization situation. This information includes the competencies/dimensions to be assessed, competency levels expected, tasks performed, and organizational context.⁸⁵

A job analysis of relevant behaviors must be conducted to determine the competencies, attributes, and job performance indices important to job performance in order to identify what should be evaluated by the assessment center.

- The competencies/dimensions provide the framework for building simulation exercises, observing the behaviors of candidates, evaluating the effectiveness of performance and giving feedback.
- Determining the competency levels expected provides guidance in how complex and difficult to make exercises.
- Understanding the organizational context is essential for building exercises that have fidelity to target job and face validity for candidates⁸⁶.

The type and extent of the job analysis depend on the purpose of assessment, complexity of the job, the adequacy and appropriateness of prior information about the job, and the similarity of the new job to jobs that have been studied previously.⁸⁷

There are five major reasons that make the job analysis crucial for an assessment center:⁸⁸

⁸⁵ Thornton G. C., and Mueller-Hanson R. A., **Developing Organizational Simulations: A Guide for Practitioners and Students**. Mahwah: Lawrence Erlbaum Associates. 2004.

⁸⁶ Thornton & Rupp, 2006.

⁸⁷ International Task Force, 2000.

- First, the results of the job analysis produce information that is useful throughout the assessment process. That is analyzing the job situation allows to determine the competencies/dimensions to be assessed.
- A second reason is to ensure good measurement. Through job analysis, job-related competencies/dimensions can be selected and used to identify the employees with the highest potential.
- Third, it provides crucial information used to train assessors. The assessors are given a clear direction as to what is important to fulfilling the job.
- A fourth for conducting a job analysis is legal defensibility. That is any legal challenge to the use of an assessment center for selection and promotion must be answered with evidence of thorough job analysis.
- Lastly, it serves to develop exercises that are face valid in the eye of the users and participants.

Briefly, in order to specify the features of the assessment center and to obtain other information that is critical for the center, a thorough analysis of dimensions, competencies, tasks, and the organization is prepared. Initiating a detailed and objective job analysis is an important factor that affects either the whole assessment center process or the results of the assessment center exercises.

3.5.2 The Determination of Competencies / Dimensions:

Conducting a job analysis and determination of competencies/dimensions that will be assessed during the exercises is the very close phases in the design of an assessment center. Like job analysis, competencies are also major corner stones that affect the whole process. Therefore, successful assessment center implementation mostly rest on the objective and accurate determination of competencies / dimensions.

In the assessment center, competencies can be defined as the classification of the candidate's behaviors into "meaningful and relevant" categories. In some sources, these categories might be named as dimensions, attributes, characteristics, aptitudes, qualities,

⁸⁸ Thornton & Rupp, 2006, p.78-99.

skills, abilities, and knowledge⁸⁹. They are the building blocks of assessment centers and the main criteria against which all evaluation is conducted.

In Human Resources, a competence can be defined as a standardized requirement for an individual to properly perform a specific job and it encompasses a combination of knowledge, skills, and behavior utilized to improve performance a competency can be defined as a logically homogeneous cluster of observable behaviors. They are also referred to as proficiencies, dimensions, and KSAOs (knowledge, skills, abilities, and other characteristics)⁹⁰. In some resources, “Behavioral Dimension” term is used in the name of competency.

Competencies are determined through an extensive job analysis as indicated previously. In order for the process to work all assessors need to be trained in the meaning and scoring of the competencies. In line with the job/candidate the competencies will change according the purpose of the assessment.

Waldron and Joines defined the assessment center competencies as a category of behavior associated with success or failure in a job, under which specific examples of behavior can be logically grouped and reliably classified. As indicated above the competencies should identify through job analysis and the level of specificity must fit assessment purpose.⁹¹

Competencies assessed in assessment centers are determined with the guidance of job analysis and varies according to the purpose of the assessment, the organization and the particular job.

⁸⁹ International Task Force, 2000.

⁹⁰ Thornton & Rupp, 2006, p.78-99.

⁹¹ Waldron & Joines, 1994.

Despite the variety, there are common competencies that are used across many assessment centers. Rupp et al (2003) determined a list of common competencies used in assessment centers as:⁹²

Table 4 Common dimensions used in assessment centers

<i>Cluster</i>	<i>Definition</i>
	Problem Solving
Problem Solving	After gathering all pertinent information, identifies problems and uses analysis to perceive logical relations among problems or issues; Develops courses of action; Makes timely and logical decisions; Evaluates the outcomes of a problem solution.
Information Seeking	Gathers data; Identifies and finds relevant and essential information needed to solve a problem; Effectively analyzes and uses data and information.
Creativity	Generates and recognizes imaginative solutions and innovations in work-related situations; Questions traditional assumptions and goes beyond the status quo.
	Approach to Work
Planning & Organizing	Establishes procedures to monitor tasks, activities, or responsibilities of self and subordinates to assure accomplishment of specific objectives; Determines priorities and allocates time and resources effectively; Makes effective short- and long-term plans; Sets and uses appropriate priorities; Handles administrative detail.
Adaptability	Remains effective by modifying behavioral style to adjust to new tasks, responsibilities, values, attitudes, or people; Show resilience in the face of constraints, frustrations, or adversity.
Stress Tolerance	Maintains composure and performance under pressure, opposition, tight time-frames, and/or uncertainty; Directs effort to constructive solutions while demonstrating resilience and the highest levels of professionalism.
Conscientiousness	work efficiently and consistently meets deadlines and expectations; Displays concentration, organization, and attention to detail; Thinks carefully before acting
Motivation	Originates action rather than passively accepting or responding to events; Demonstrates capacity for sustained effort over long time periods until the desired objective is achieved or is no longer reasonably attainable.

⁹² Thornton & Rupp, 2006.

	Communication
Oral Communication	Expresses thoughts verbally and nonverbally in a clear, concise and straightforward manner that is appropriate for the target audience whether in a group or individual situation.
Written Communication	Expresses ideas clearly and succinctly in writing, using appropriate grammatical form for both formal and informal documents; Adjusts writing style, tone, and language as indicated by the needs of the audience
Listening	Actively attends to and conveys understanding of the comments and questions of others in both group and individual situations; Hears, pays attention to, and determines important information and ideas presented through spoken words and sentences; Performs active listening by asking questions when appropriate.
Persuasiveness	Uses written or oral communication to obtain agreement or acceptance of an idea, plan, activity or product; Demonstrates keen insight of other' behavior and tailors own behavior to persuade or influence them; Gains support and commitment from others.
	Relational
Relationship/ Interpersonal Skills	Initiates and maintains effective relationship by presenting oneself to others in a positive manner, even in the face of conflict; Responds to the needs, feelings, and opinions of others; uses relationships appropriately to accomplish personal or organizational goals.
Leadership	Guides, directs, and motivates subordinates toward important and challenging work in line with their interests and abilities as well as the needs of the organization; Gives regular, specific, and constructive feedback to subordinates in relation to their personal goals; Commands attention and respect; Promotes positive change by setting goals and priorities that are in line with the common vision of the organization.
Teamwork	Works effectively with others by cooperating and contributing to the pursuit of team goals; Communicates decisions, changes, and other relevant information to the team in a timely manner; Develops supportive relationship with colleagues and creates a sense of team spirit.
Conflict Management/ Resolution	Recognizes and openly addresses conflict appropriately; Arrives at constructive solutions while maintainig positive working relationships.

Source: Thornton & Rupp, 2006, p.79-80.

In summary, the competencies observed during the assessment process should reflect what the assessment center wants to measure, and also match with the type of terminology and language that is used by the contracting organization.

Finally the competencies must fit with the candidates (the feedback that they receive will use terminology that is based on this set of dimensions) and consists of phrasing that do not overlap and are not interchangeable to ensure that the findings are articulate⁹³.

With the guidance of information provided from the job analysis, the specific dimensions to target and the difficulty level of assessment center exercises are specified. The dimensions/competencies will cover; the number of dimensions/competencies to be assessed, the nature of dimensions/competencies, the breadth of the dimensions/competencies, the type of dimensions/competencies (whether basic aptitudes or developed skills) and the difficulty level of the dimension/competencies.⁹⁴

3.5.3 The Determination and Training of Assessors:

In the assessment center method, assessors play a significant role in development, implementation and evaluation phases in the process. The number of and training of the assessors are important determinants in the success of the execution.

Based on the guidelines, it is best to have several assessors in evaluating each candidate, excluding the candidate's immediate supervisor. Observations from multiple assessors help make sure those inaccurate idiosyncratic biases from anyone assessor will not influence the final outcome of the assessment process. Assessors with several different points of views can make valid contributions to the evaluation of professional competencies.⁹⁵

⁹³ Jansen & Jongh, 1997.

⁹⁴ Thornton & Mueller-Hanson, 2004, p.20.

⁹⁵ Thornton & Rupp, 2006, p.78-99.

Although there is no rule about how many assessors are enough for adequate evaluation the number of assessors should change according to several variables. The variables to be taken into account are the types of exercises used, the competencies/dimensions to be evaluated, the roles of the assessors, the type of integration carried out, and the purpose of the assessment center.⁹⁶ When a typical center is examined, it can be seen that most assessors are drawn from the host organizations. Some centers may choose to use line managers as assessors while others use Human Resources Executive, and some use both.⁹⁷

Since assessment centers are highly structured in their design, application, and assessment procedure, they are sometimes conducted by outside consultants who have invested large amounts of resources into researching and designing Assessment Centers, which will produce valid measurements and a good predictor of future outcomes of test candidates for the business customer.⁹⁸

In addition to determining the assessors, proving the necessary training is also very important since the success of the assessment center is highly dependent on the judgments of the assessor. Through out the process, the assessor is crucial in carrying out complex assessment functions. Hence their proper and thorough training is imperative. During the assessment process the assessor is responsible for observing behavior, recording the observations, grouping the behavior into the competencies/dimensions being assessed, making judgments about the level of performance displayed by the candidate and describing these observations to other assessors are the basic duties of assessors. In order to achieve these duties, assessors must be trained thoroughly, and then evaluated and monitored to determine that they carry out these duties accurately.⁹⁹

During the training process, the assessor should have clearly stated training objectives and performance guidelines. Training content, training length, performance

⁹⁶ International Task Force, 2000

⁹⁷ Craig and Moses, 1987.

⁹⁸ The University New South Wales,

<http://www.careers.unsw.edu.au/careerEd/jobApplications/interviews/assessCentre.aspx>

⁹⁹ Thornton & Mueller-Hanson, 2004.

guidelines and certification and currency of training and experience are basic issues that should be considered during the training of assessor.

Briefly, assessors must be trained on descriptions of the target job and its organizational setting. The assessors must be given adequate knowledge on the competencies that are being tested, the content of the assessment center exercises, the skills they need to successfully observe and classify behavior into their respective dimensions, and how to administer the exercise. How they will interact with participants to ask questions, elicit behavior, prepare reports and give feedback are also other areas they need to be trained on.¹⁰⁰

3.5.4 Development of Assessment Center Techniques

Construction of the assessment techniques is the third phase in the design of an assessment center. In this phase, the number and the type of the assessment techniques is determined in respect to predefined job analysis and competencies, exercise materials are prepared and pilot testing is conducted.

The assessment techniques used in the assessment center must be designed to provide information for evaluating the competencies determined by the job analysis. Assessment center developers should form a link from behaviors to competencies to assessment center techniques.¹⁰¹

Assessment Centers work on the principle of multi-trait multi method assessment. This is mainly due to fact that any single assessment method may give misleading results. Thus while some employees may be successful in the interview process, the others may be better at tests, hence if an employee shows ability to influence in both interview and inventory then he is deemed to be more likely to be able to influence others.

¹⁰⁰ Thornton & Mueller-Hanson, 2004, p.20.

¹⁰¹ Jansen & Jongh, 1997

After having decided what competencies/dimensions of work performance are to be assessed, the assessment center developers should include at least two, qualitatively different methods assessing each competency.¹⁰² The results of these techniques then can be evaluated simultaneously to drive at accurate results.

When developing assessment centre exercises, the main objective is to design an assessment process that:

- Presents participants with complex and realistic situations
- Elicits overt behavior relevant to specific performance dimensions
- Allows assessors to make reliable and valid observations of behavior
- Helps managers make judgments about performance effectiveness for purposes of assessment, development, or research.¹⁰³

The development phase of assessment center also involves writing the actual exercise materials. The assessment exercises are constructed in line with specifications prepared in the previous phases. The rating scales are built to assess the dimensions/competencies specified level of difficulty.¹⁰⁴

Several elements will be included in the exercise materials for the participant. These will not only be around the instructions necessary to carry out the exercises but will also give background regarding the exercise that is being tested. Such background information will include basic information on the date of the current situation, background information about the organization, a description of the problem addressed, letters and memos from other parties who are contributing information and recommendations on the problem, and also instructions on what the participant is expected to do.

¹⁰² Cook, M., **Personnel Selection and Productivity: Adding Value through People**. John Wiley & Son Ltd. 3rd edition. 1998, p.173-192.

¹⁰³ Thornton and Mueller- Hanson, 2004, p.130

¹⁰⁴ Thornton & Mueller-Hanson, 2004, p.19

In addition to the main exercise materials, there are other factors like the instructions provided or questions asked by assessors, etc. that affect the performance of participant. Thus, the developer will need to carefully prepare support materials for all these parties. Support materials contains a list of the most important issues embedded in the exercise, behavior checklists to highlight effective and ineffective behavior, guidance on the expected or correct solution to exercise problems and behaviorally anchored rating scales.

Before the implementation of method, a pilot testing is a valuable activity to gain an idea for future in the development phase. In the pilot testing phase, all material, assessors and rating scales should be overviewed. Individuals making up the pilot group should be similar to the persons who will be future participants, and should include representatives of special interest groups such as minorities, women, older individuals, and persons with disabilities, if they can be recruited. The purpose of the pilot testing is to obtain feedback from participants and assessors on several aspects of the assessment exercises. Comment on the clarity of the instructions, the wording of the exercise materials, and the time allowed can be asked to pilot participants and assessors can provide information about the opportunities to make observations about the pilot participants' behavior and adequacy of the rating scales.¹⁰⁵

In summary, determining the number of exercises and selecting the exercises, preparing exercise materials and conducting pilot tests are the main activities in the development phase of the assessment techniques.

3.5.5 Commonly Used Assessment Center Techniques

Interviews, behavioral tests and simulation exercises are the most commonly used assessment center techniques to evaluate the participant's performance in the assessment center. In the previous sections, detailed information was provided about the interviews and behavioral tests. In this section, simulations will be examined more deeply.

¹⁰⁵ Thornton & Mueller-Hanson, 2004, p.19

Simulation exercises are one of the most important aspects of assessment centers since they allow multiple opportunities to observe the candidate's behavior related to each competency/dimension being assessed.

In the assessment center method a simulation is an exercise designed to elicit behaviors related to dimensions of performance of the job requiring the participants to respond behaviorally to situational stimuli. At least one –and usually several– simulations are used in assessment centers. A simulation exercise presents the participant with a complex set of stimuli to deal with. In-basket, group discussions, fact-finding exercises are common types of simulation exercises.¹⁰⁶

As mentioned before, the reason of high objectivity and validity of assessment center method relies on the multiple evaluation techniques that are used within the process. The assessment center method involves common selection methods, including various types of interviews, psychological and employment tests, etc which are discussed in the second section. In addition to these traditional tools, assessment centers mainly use job simulations to evaluate the employee behaviors.

Thornton and Mueller-Hanson define Assessment Centre Simulation as ‘an activity resembling an organizational situation in which participants are presented complex stimuli and expected to display complex over behavior’. Assessors examine the behavior and evaluate the participant's effectiveness on one or more performance dimensions.¹⁰⁷

Simulations are designed to bring out behaviors relevant to the most important aspects of the position or level for which the assessments are being considered. Known as “dimensions,” these aspects of the job are identified prior to the assessment center by analyzing the target position. A job analysis procedure identifies the behaviors, motivations, and types of knowledge that are critical for success in the target position.

¹⁰⁶ International Task Force, 2000

¹⁰⁷ Thornton & Mueller- Hanson, 2004, p.3.

During assessment, the job simulations bring out the candidate's behavior or knowledge in that target dimensions.

Common job simulations used in assessment centers are: in-basket, analysis, fact-finding, interaction, (subordinate, peer, customer), oral presentation, leaderless group discussion (assigned roles or not, competitive vs. cooperative), scheduling, sales call and production exercise.¹⁰⁸ The following table was prepared by Jansen for the most common assessment center assignments in comparison with the common job dimensions.¹⁰⁹

Table 5 Assessment Center assignments and relevant dimensions

Dimensions	Assignments							
	1	2	3	4	5	6	7	8
Problem Analysis	x	x	X	x	x	x	x	
Problem solving	x	x	X	x	x	x	x	
Creativity	x	x	X	x			x	x
Interpersonal sensitivity	x	x		x	x	x		x
Sociability		x		x	x	x		
Leadership		x	X	x	x	x		
Delegating/Management control	x				x		x	
Planning/organizing	x	x	X				x	
Initiative	x	x	X	x		x		
Persistence		x	X	x	x	x		
Firmness		x	X	x				
Decisiveness	x	x	X	x	x	x		x

1: In-basket

2: Group Discussion

3: Fact-finding

4: Presentation

5: Dialogue

6: Meeting

7: Planning

8: Memorandum

Source: Jansen and Jongh, 1997

¹⁰⁸ Waldron and Joines, 1994.

¹⁰⁹ Jansen and Jongh, 1997.

3.5.5.1 In-basket

An in-basket exercise is a simulation where a candidate must sort through, and act on, the contents of a typical 'in-box'. In other words, the candidate needs to decide on what actions to take given the memos, written communication, etc. that they may encounter during a regular work day. The content of the in-basket may contain notes, memos, letters, reports, or other materials and can be delivered strictly in paper form, electronically, or in some combination.¹¹⁰

In-basket exercise can measure the skills like organizing, structuring, planning (problem analysis) as well as structuring an adequate approach (problem solving and creativity). One drawback of this method is that with this exercise someone's social skills can only be measured on paper. The assessor can gain idea of the candidate's social intelligence and social insight.¹¹¹

The advantages of in-basket exercise:

- In-baskets can be administered in either an individual or a group setting
- After the development of materials, administration is relatively straightforward
- A wide variety of dimensions can be observed in the in-basket which make it suitable for management and administrative positions.¹¹²

3.5.5.2 Case Study: Analysis Problem

A case study is an individual, written exercise that asks for the participant to read a complex set of materials and prepare a written report. The simulation aims to evaluate the ability to understand a wide variety of written information (including qualitative and quantitative data), note patterns in the data, and identify the important problems embedded in a complex situation, and recommend solutions.¹¹³

¹¹⁰ Thornton & Mueller-Hanson, 2004, p.115

¹¹¹ Jansen & Jongh, 1997, p.36

¹¹² Thornton & Mueller-Hanson, 2004, p.115.

¹¹³ *ibid*, p.61.

The materials in a case study simulation consist of background information about the organization and situation, text that describes a complex situation in an organization, preliminary data relevant to the problem, financial information such as budgets and income statements etc. Depending on the complexity of the case the participants may also be given irrelevant data with the intention of forcing them to prioritize and use only the relevant pieces of information.

The case study exercise contains more extensive information, usually including quantitative data, case study materials often occupy much more pages (in a group discussion exercise materials are one or two pages long), usually focused on one problem and calls for a formal report to be submitted to a higher authority in the organization.¹¹⁴

3.5.5.3 Oral Presentation Exercises

In an oral presentation exercise the participant is given instructions and material to study then asked to prepare for and deliver a formal speech about the subject matter to someone in authority or important to the individual or organization. After the presentation, assessors can evaluate the presentation on dimensions such as technical knowledge, oral presentation skills, persuasiveness, and empathy for the audience, and possibly stress tolerance if the assessor wishes to challenge the participant. The oral presentation can be a stand-alone exercise or can be added to another assessment exercise like case study or leaderless group discussion.¹¹⁵

This exercise puts specific demands on someone's powers of intelligence, social skills and willpower and emphasis on making a plan, putting forward suggestions that are realistic enough to be carried out.¹¹⁶

¹¹⁴ Thornton & Mueller-Hanson, 2004, p.62.

¹¹⁵ *ibid*, p.71.

¹¹⁶ Jansen & Jongh, 1997, p.40.

3.5.5.4 Leaderless Group Discussions: Non-Assigned Roles and Assigned Roles

In a leaderless group discussion (LGD), candidates work in groups of 4-6 to solve a problem or make a decision within a specified period of time. Non-assigned roles LGD and Assigned Roles LGD are the two types of leaderless group discussions. In a non-assigned role LGD, all candidates work toward a common goal. On the other hand, in an assigned role LGD, each candidate has a different goal.

One advantage of this method is that it can be prepared as a mixture between cooperation (arriving at a decision together) and competition (looking after one's own interests), to elicit different behaviors from the participants. Compared to other exercises, LGD has a greater focus on the breadth of someone's argument. Social skills, decisiveness and willpower are also other important factors¹¹⁷.

3.5.5.5 One-on-One Interaction Simulations: Role Play Exercises

In a one-on-one interaction simulation, the participant interacts with another person in a role-play scenario. The candidate is typically 'in charge' of the interaction and is responsible for initiating and managing the communication. The individual with whom the participant interacts is a trained role player who acts the part of any one of a number of roles.¹¹⁸

The advantages of one-on-one interaction simulation are; this simulation can closely resemble the actual work environment and common problems that participants are likely to face on the job.

¹¹⁷ Jansen & Jongh, 1997, p.39.

¹¹⁸ Thornton & Mueller-Hanson, 2004, p.99.

3.5.5.6 Oral Fact Finding Exercises

In oral fact finding exercise, the candidate is given a short description of a situation that has occurred or a decision that has been made but is now being challenged. The candidate is then given a fixed, and often limited, time to gather additional information by asking questions of a “resource person”. The resource person is someone trained to have extensive information about the situation, and will answer questions posed by the candidate if asked properly.

This exercise help to measure someone’s power of intelligence in terms of breadth and depth: creativity, knowledge of “business approaches” like logistics, finances etc. The second measurement of dimensional assessment is decisiveness, how well the candidate can support their views. Social skills are also important, in terms of building empathy to the contact person, and asking the right questions.¹¹⁹

3.5.5.7 Business Games

In business games a wide range of situations and problems are simulated in a complex organization. Due to its complexity, developing business games are more difficult. It usually consist of several participants interacting over a relatively long period of time and making series of decisions that affect many different aspects of the organization’s operations.¹²⁰

Irrespective of the techniques used in assessment center, they must be designed to provide multiple opportunities to observe complex behavior related to the competencies/ dimensions identified in the job analysis.¹²¹

In order to ensure reliability and validity the assessment techniques will almost always be pre-tested to ensure that the techniques provides reliable, objective and

¹¹⁹ Jansen & Jongh, 1997, p.40.

¹²⁰ Thornton & Mueller-Hanson, 2004, 142.

¹²¹ Thornton and Rupp, 2006

relevant behavioral information for the organization and job in question. Pre-testing might necessitate a trial run with participants similar to assessment center candidates, through review by subject matter experts as to the accuracy and representativeness of behavioral sampling and/or evidence from the use of these techniques for similar jobs in similar organizations.¹²²

3.5.6 Implementation of Assessment Center

After selecting and developing the assessment techniques and assessors, the further step is the implementation of the method. Prior to implementation as mentioned before, successful planning plays a drastic role in the success of the process. Well-trained assessors and well-structured assessment techniques in respect to related job analysis and competencies/dimensions help to implement the assessment center and contribute to the success of the center. It is obvious that like a successful development phase, how to implement the assessment center is also critical to achieve good results.

After determining the type of exercise, the content of problem in the simulation, the setting of the organization and job, the job or occupation being simulated, the level of conceptual difficulty of the exercise, the technical level of the exercise and the length of time for the exercises, the implementation level starts.

The implementation is simply carrying out the exercises for whatever goals and purposes they were designed to meet. Applications include assessing candidates' qualifications, assessing training needs, developing skills, and conducting research experiments. According to William and Byham, a traditional assessment center involves six participants and lasts from one to three days. While the participants working on exercises, assessors who are trained to observe and evaluate behavior and knowledge level (as mentioned earlier) observe the participants. Assessors observe different participants in each exercise and take notes on prepared forms.¹²³

¹²² International Task Force, 2000.

¹²³ William C., Byham Ph. D., "The Assessment Center Method, Applications and Technologies", <http://www.assessmentcenters.org/articles/whatisassess1.asp>

At the beginning of the assessment, an initial briefing about the timetable of exercises, locations of rooms etc. are usually provided to the participants. Prior to each exercise, instructions describing the exercise, their role, timeframes, equipment etc. will be shared with the participants. During the implementation of exercises, a group of trained assessors will rate individual candidates on a range of set indicators, using a determined rating scale. Results are then cross compared against the same indicators, which are measured in other exercises. Following exercises completion, assessors meet to discuss the results and reach a group consensus about each individual's ratings.¹²⁴

It is common practice to ask for feedback to the assessment process from participants. The reactions of participants can be very informative to the assessment process for the various applications of simulations. Thus, the developer will always have an advantage from asking a variety of appropriate questions after the assessment process in order to receive feedback. During the implementation of the assessment method, recording the assessee's behaviors gains importance for the further analysis.

The proper recording of behaviors for analysis is a systematic method that may include techniques like handwriting notes, behavioral observation scales, or behavioral checklists. These must be used by assessors to record behavioral observations during the assessment center exercises.

An alternative method for recording participants' behaviors that may be used concurrently is recording audio and video of behavior and analyzing them later. Assessors prepare a written record of candidate' behavior made during assessment center exercises before the data integration sessions.¹²⁵

In the final stage of the implementation of assessment center method, the assessors combine the candidates' information gathered throughout the process in a valid and reliable way. After participants have completed their simulations, assessors

¹²⁴ The University of New South Wales, "Assessment Centers",
<http://www.careers.unsw.edu.au/careerEd/jobApplications/interviews/assessCentre.aspx>

¹²⁵ International Task Force, 2000

spend one or more days sharing their observations and agreeing on evaluations. If used, test and interview data are integrated into the decision-making process. The assessors' final assessment are detailed in a written report, and include details on participants' strengths and development needs, and may evaluate their overall potential for success in the target position if that is the purpose of the center. The integration of behaviors must be based on a pooling of information from assessors or through a statistical integration process validated in accordance with professionally accepted standards.¹²⁶

This is the reporting stage during which the assessors discuss each competency and integrate their finding. The assessors should take care to report information derived from the assessment techniques but should not report information irrelevant to the purpose of the assessment process. Given that there are multiple assessors the integration of information may be accomplished by consensus or by some other method arriving at a joint decision¹²⁷.

After the assessment process the candidates usually received oral feedback from assessment center personnel about their performance in the center. They also frequently received written reports on their performance.¹²⁸

An overall evaluation of an assessment or training program includes consideration of whether the costs of the effort required to develop and administer a simulation exercise is outweighed by the value of the additional benefits made to selection/promotion accuracy or developmental gains. Therefore it is proper practice to do a post analysis to judge whether the simulation had cost benefits for the company.

3.5.7 The Evaluation of the Assessment Centers

After the development and implementation of assessment center exercises, the assessor's role starts. During the assessment process, individual assessors are

¹²⁶ William and Byham, <http://www.assessmentcenters.org/articles/whatisassess1.asp>

¹²⁷ International Task Force, 2000

¹²⁸ Spychalski, Quinoes, Gaugler and Pohley, 1997, p.71-90.

responsible for observing, recording, classifying and scaling of the candidates' behavior. After that, the group of assessors come together to integrate the information collected during the assessment center. The last stage of the process is providing feedback of assessment center results.

3.5.7.1 The Role of the Individual Assessors

The first duty of the assessors is observing and recording the behaviors of assesses during the assessment process. While observing, assessors should take detailed, nonevaluative notes of behaviors displayed by assesses.

After observing and recording the behavior, assessors look back at their notes and start to classify assesses' behaviors into the dimensions categories. They then record these behaviors on a separate form, to facilitate reporting to the other assessors in the integration discussion. At this point, the assessor may take one of multiple courses of action. If following the behavior reporting method, the assessors would attend a meeting and orally present reports from each exercise.

Each assessor reads the narrative report of behavior observed. If following the within-exercise dimension rating method, the assessor would, after each exercise, rate each dimension measured in the exercise. In this method, assessors are asked to provide a rating on each dimension that can be observed in an exercise. After they observed and classified behaviors, assessors typically use a 1 to 5 rating scale to evaluate the participant's performance on each dimension.¹²⁹

¹²⁹ Thornton & Rupp, 2006.

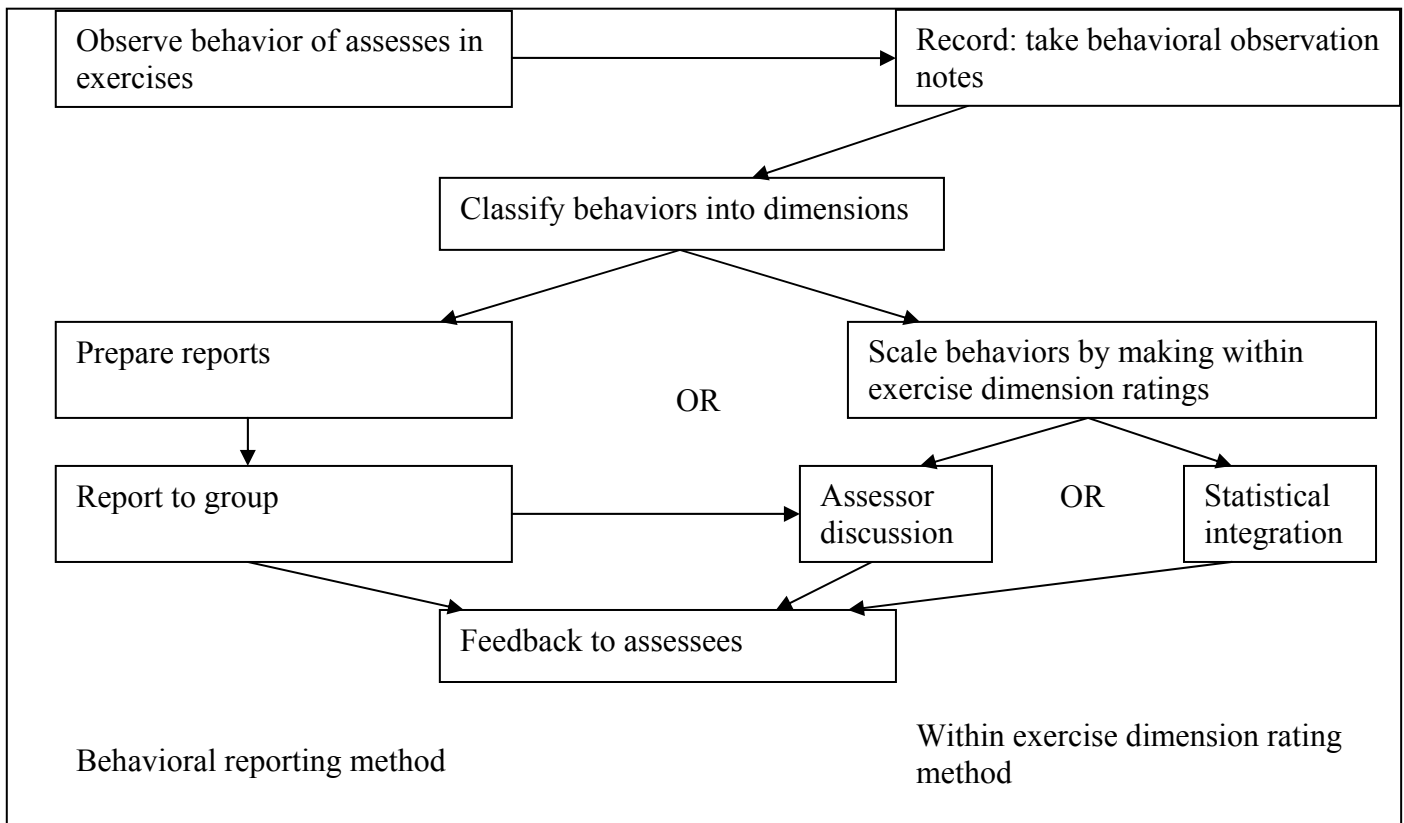


Figure 5: The assessment center process; Thornton & Rupp, 2006, p.134

3.5.7.2 The Role of the Group of Assessors

Different types of practices are followed in integrating observations and evaluations from individual assessors. Integration process of information is ranged from pure judgmental to pure statistical. In judgmental integration method, assessors discuss their observations of behavior, and come to a consensus on behaviors to be fed back and/or ratings to be given. This method provides unique insights into each candidate's strengths and weaknesses and it can take into account idiosyncratic information. However, it takes more time and it may be subject to biases of assessors' judgments. On the other hand, in statistical integration method, ratings by individual assessors after each exercise are combined quantitatively with a statistical formula. The basic advantages of statistical method are appearance of objectivity and less time consumption. On the other hand, disadvantages of this method are it may not account for meaning full configurations among information and may require large number of observations for meaningful results.

There are several disadvantages when the ratings are determined by group decision making. For example, the final decision of the group may not be better than the decision of the best individual in the group. Similarly, the group discussion process may dilute the good information contributed by the most accurate person. Group polarization, the initial position of the majority of the group is strengthened following group discussion, is another factor that may distort the group decisions. “Groupthink” is another potentially dangerous process that may undermine the quality of group decisions.

Despite the disadvantages of group decisions, there are some advantages such as; groups tend to follow the pattern of “truth supported wins” which means that even though there may be some group process losses, if the good solution has support, the group will accept it. The diversity of the group members and benefits from group decision making (especially when several individuals with heterogeneous skills and experiences are present) are other advantages of group decision making.¹³⁰

3.5.7.3 Providing Feedback

After the integration and evaluation of information that was provided from the assessment center, giving timely and appropriate feedback are also one of the key indicators of success of the assessment centers.

Giving feedback to appropriate people in timely manner, delivering reports sensitively by a creditable person and clear examples of both positive and negative results should be provided in the reports.

¹³⁰ Thornton & Rupp, 2006, p.160-178.

3.6 The Validity of Assessment Centers

Having looked at various advantages and uses of assessment centers in talent management this chapter will focus on the validity of assessment centers. Since any assessment technique can be used for a variety of purposes, many different types of evidence must be considered in understanding is assessment centers are indeed capable of achieving its stated purpose.

3.6.1 Validity of Assessment Centers in selection/promotion

Assessment centers have considerable validity when used to make inferences about potential to succeed among applicants for selection and internal candidates for promotion.

Byham identified that overall assessment ratings (OAR) identified managers who make progress in rank, success rate of assessed managers was greater than non-assessed managers and the correlation of OAR and performance ranged from 0.27 to 0.64¹³¹. In a similar study by Cohen et al. (1974) the median correlation with performance was found to be 0.33; however this increased to 0.63 with potential and 0.40 with promotion. Hunter & Hunter indicate that the estimated correlation of OAR with job performance was 0.43.¹³²

In their totality the above implies that people who get higher scores on the OAR will probably be more successful on the job than people who score lower. In addition to the above, assessment centers were found to be more effective when a wide variety of types of assessment techniques were used, when psychologists were added as assessors (along with managers), and when peer evaluations were gathered¹³³.

¹³¹ Byham, W. C., "Assessment Center for Spotting Future Managers", **Harvard Business Review**, 1970, 48, p.150-160.

¹³² Hunter, J. E. and Hunter, R. F., "Validity and utility of alternative predictors of job performance", **Psychological Bulletin**. 1984, p.96.

¹³³ Thornton & Rupp, 2006.

When combined with cognitive ability tests studies found that assessment centers bring significant incremental validity over these and personality tests. In summary the general findings as indicated above show that assessment centers ratings have significant validity when it comes to selection.

3.6.2 Validity of Assessment Centers in diagnosis

There is still much controversy in the literature as to the validity of assessment centers in rating strengths/weaknesses of individuals, however recent research is more promising in supporting assessment centers.

Sackett & Tuzinski concluded that assessment center ratings do not demonstrate the expected patterns of convergent and discriminant validity, that is, the correlations do not support the pattern expected of high correlations of the same dimensions (e.g. leadership, problem solving etc.) in different exercises (e.g. group discussions, case presentations etc.) along with lack of correlations among ratings supposedly distinct dimensions (e.g. problem solving in simulations with leadership in group discussions).¹³⁴

However other studies shows that construct validity can improve when assessors rated the performance on the dimensions across studies. Thus having a common assessor across each dimension boost the convergent validity from 0.35 to 0.67 and the discriminant validity improves when the correlation decreases from 0.68 to 0.60.

Hence validity of assessment centers can improve significant if the practice follows the following rules which include using a small number of conceptually distinct dimensions which are concretely defined and by training the assessors with observation and rating aides (e.g. checklists).¹³⁵

¹³⁴ Sackett, P. R., and Tuzinski, K., The role of dimensions and exercises in assessment center judgements. **How people evaluate others in organizations**,. Mahway, NJ: Lawrence Erlbaum Associates, 2001, p.111-129.

¹³⁵ Thornton & Rupp, 2006.

In a similar note, Sackett indicated that content validity requires more than the careful construction of stimulus material (i.e. exercises); how these stimulus materials are evaluated are also critical considerations in making judgments about content validity. Hence validity may best be measured not among dimensions on similar material but among dimensions on different methods such as tests, questionnaires, or judgment by others.¹³⁶

In one such study by Hagan, Konopaske et al which aggregated 360 degree assessment of 428 retail associate store managers on six competencies showed strong validity (0.50). The study also showed that the assessment centers brought incremental validity over supervisor assessments alone¹³⁷.

Arthur, Day and McNelly and Edens conducted a meta-analysis of 34 studies that investigated the correlation of dimension ratings with job related measures of performance (e.g. salary, promotion). They pointed out that this analysis showed a relatively high correlation among dimensions (0.56). Indicating that assessment centers can demonstrate construct validity when compared against alternative methods¹³⁸.

In summary there is extensive literature concerning the problems of establishing the construct validity of assessment centers. In typical practice an assessment center would measure a number of different 'dimensions', that is '... a cluster of behaviors that are specific, observable and variable, and that can be reliably and logically classified together'.¹³⁹ These will have been determined through some process of job analysis. What we would expect to find is that assessors' ratings for any given dimension would be consistent across exercises and would thus be highly correlated; this is convergent validity. Much of the evidence, however, does not support this expectation. Indeed, one

¹³⁶ Sackett, P. R. (1987). "Assessment Centers and Content Validity: Some Neglected Issues". **Personnel Psychology**. No.40. p.13-25.

¹³⁷ Hagan, C. M., Konopaske, R., Bernardin, H. J., & Tyler, C. L., "Predicting assessment center performance with 360-degree, top-down, and customer-based competency assessments", **Human Resources Management**, Vol. 45, No.3, 2006, p.357-390.

¹³⁸ Arthur, W., Jr., Day, E. A., McNelly, T. L., & Edens, P. S., "A meta-analysis of the criterion-related validity of assessment center dimensions", **Personnel Psychology**, No. 56, 2003, p.125-154.

¹³⁹ Thornton & Byham, 1982.

of the most 'robust and consistent' findings about assessment centers are the existence of the so-called 'exercise' or 'method effect'.

For discriminant validity it is argued that within an exercise we would expect ratings of the different dimensions not to be correlated. Again, however, expectations are not confirmed. In other words, separate, conceptually distinct characteristics of the person are not being measured.

Thornton has suggested that the relatively high correlation of dimensions within exercises indicates that assessors are unable to distinguish distinct attributes and instead are making situational judgments of performance in each exercise. The evidence of the 'exercise effect' leads Robertson et al to conclude that assessments should be based on exercises designed as work samples.

When compared against work related samples or job related measures the construct validity can be demonstrated as indicated by Thornton and Rupp¹⁴⁰ and Arthur, Day et al.¹⁴¹

3.6.3 Validity of Assessment Centers in development

The exercises in development based assessment centers are realistic simulations of tasks that participants are likely to encounter in their current jobs or tasks they are likely to encounter in the near future. The content of these exercises is more geared towards current situations than the content of exercises in selection and promotion assessment centers which is cast in the future.

When assessment centers are used for development the dimensions chosen are "developable". This means that the dimensions are knowledge, skills, abilities that can

¹⁴⁰ Thornton & Rupp, 2006

¹⁴¹ Arthur, Day, McNelly & Edens, 2003, p.125-154

be developed as a result of the assessment or training such as oral communication or problem analyses.¹⁴²

The main assumption in development based assessment centers is that the assessors can observe behaviors and give meaningful feedback. Various researches have shown that there is validity along with reliability in these observations. It shows that assessors show a high level of agreement when observing behavior during exercises.

In a comparative study judging the effectiveness of development based assessment centers, supervisor rating of managers 3 months after the assessment were found to be rated higher than those managers who did not participate in the assessment.¹⁴³

In summary, developmental assessment centers provide valid and useful feedback to the participants. The assessments allow participants to develop a better understanding of performance constructs and by focusing on these they develop better skills on the job.

3. 7 Criticisms and Limitations of Assessment Center Method

In deciding whether the needs of an organization can be met with an assessment center method, it is important to determine the advantages and disadvantages of the method. Although there are numerous advantages of assessment center method as have been indicated previously, some criticisms have been made as well. It is important to address the advantages and disadvantages surrounding the assessment center method.

According to Howard, the assessment centers predicts a wide range of criteria, highly accepted by applicants and employees, can measure many attributes that are otherwise very difficult to measure, allows for the measurement of multiple attributes

¹⁴² Thornton & Rupp, 2006, p. 217-260.

¹⁴³ Engelbrecht, A. S. & Fischer, A. H., "The managerial performance implications of a developmental assessment center process", **Human Relations**, No. 48, 1995, p.387-404.

and can be tailored to meet the specific needs of the organization. Moreover, the scoring and reporting are credible when done by trained assessors and the exercises are hard to fake. Last but not least, with the assessment center method, both declarative and procedural knowledge can be assessed.¹⁴⁴

Although assessment centers have been used by many organizations all over the world in various industries, some researchers criticize the effectiveness of the model and emphasize two basic reasons; assessments take place in artificial environments which might not reflect people's actual behavior at work and difficulty of combining assessment results with other indicators (such as manager's appraisal) when there are contradictions.¹⁴⁵

In addition to these, assessment center is an expensive and difficult method to manage. The labor, physical space, and a large amount of people's time are significant cost items related to assessment center method. Although it requires a large staff and great deal of time, only limited number of people can be processed at a time.

Also, the quality of the assessment center scores depends on the quality of assessors and even with the adequate training, assessors face substantial cognitive load in carrying out their duties.

Finally, while applying the assessment center method, it will be difficult to design and standardize the cross-cultural/international adaptations.¹⁴⁶

However, all in all, these shortfalls are outweighed by the advantages of using assessment centers; hence there are a growing number of organizations that continue to use assessment centers for various tasks.

¹⁴⁴ Howard, A. "A reassessment of assessment centers: Challenges for the 21st century", **Journal of Social Behavior and Personality**, Vol.12, 1997, p.13-52.

¹⁴⁵ Billsberry, J. (2000). **Finding and Keeping the Right People: How to recruit motivated employees.** Pearson Education Limited. p.143-145.

¹⁴⁶ Thornton & Rupp, 2006

4. THE ROLE OF ASSESSMENT CENTERS IN TALENT MANAGEMENT

In the previous sections of this thesis, detailed information regarding the general concepts of Talent Management and Assessment Centers were outlined. The definitions, history and importance of Talent Management and Assessment Centers were examined from a strategic HR perspective.

In this section, the role of Assessment Center within Talent Management will be studied. As has been presented above; identification, development and retention of talented people play significant roles in talent management and in this respect, various tools, as depicted before, can be used. This section will focus on assessment centers, one of the most important tools used especially for the identification and development of talented people. The concept will be discussed from different perspectives with focus on identification, development, and retention of talented people.

In order to amplify the role of the assessment center tool in talent management this chapter will first of all elaborate on how talented people are evaluated, various criteria will be mentioned. Secondly, the importance of identifying, developing, and retaining talented people within organization will be discussed as a foundation and finally the role of the Assessment Centers will be explained.

4.1 The Evaluation Criteria of the Talented People

Given that the needs, strategies, cultures, and operating principles vary for one company to the other, the competencies that are needed to excel in each unique environment will also vary. Therefore, companies need to determine –for each different roles within their organization- the main evaluation criteria which will be used for the identification, development and retention of talented people.

In the talent management system, the first step will be to determine the definitions and measures of competency that will be used both for the appraisal of performance and gauging of potential. These competencies need to be the key indicators of the success of the employees and hence the organizations. The research conducted by Berger & Berger, determined 30 common core competencies that organizations used in their talent assessment process. Communication, interpersonal skills, teamwork, leadership, technical/functional expertise, creativity/innovation are some examples for the most common competencies that are used in the talent management programs. Once competencies are determined and agreed upon, these competencies are then described and scored based on its relative contribution to the organization. The measurement of actual results achieved within those areas is the final phase of this step.¹⁴⁷

Companies try to successfully identify and recruit the best talent possible with the objective of both ensuring a smooth fit with the entire organization and creating added value by acquiring a scarce resource. Once the recruitment process is complete and the employee is inducted into the organization the focus will shift building a long-term working relation. Here it is critical to determine each employee's actual or potential capability for adding value to the organization on a continuous basis. This enables the company to maximize its employees contributions through appropriate investment in training and development. Poor allocation of compensation and training resources can result in unwanted turnover, morale, and performance problems. Especially the talented people- employees whose competency levels and performance greatly exceed expectations – are most prone to dissatisfaction when not properly developed and enticed.¹⁴⁸

To summarize it can be said that the key to accurate identification, development and retention of talented employees lies in the determination and assessment of identified competencies. Every organization has its unique set of competencies that are crucial to the success of each employee and to the success of the entire organization.

¹⁴⁷ Berger and Berger, 2004, p.53.

¹⁴⁸ *ibid*, 2004, p.54.

Therefore, understanding and determining these competencies is a very important step for successful talent management.

The research report on “Competency Frameworks in UK organizations” defines the “competency” concept as;

The terms “competence”, “competences”, “competency” and “competencies” are used almost interchangeably leading to some confusion not least regarding whether the term refers to an activity, a personality trait, a skill or even a task.¹⁴⁹

Although in general competence and competency is described as above, there is a small difference in the definition of two terms. In short, while competencies are about the people who do the work, competences are about the work and its achievement. To be more precise competence is the ability to perform activities within an occupation to a prescribed standard, and competency can be defined as the behavioral characteristic of a person that is casually related to effective or superior performance in a job. It is related with the inputs that help achieve successful performance at work.

Berger & Berger define competence as “a reliably measurable, relatively enduring (stable) characteristics or a combination of characteristics of a person, team or organization that causes and statistically predicts a criterion (measurable) level of performance”.¹⁵⁰

Today most large organizations use at least one form of competency model. Developed separately for each organization based on broader competencies as described above, organization try to make the skills which an organization needs to be successful transparent. They try to ensure that employees are aware of each of the competencies relevant to their job and seniority and base all performance systems on these competencies.

¹⁴⁹ Pilbeam, S. and Cordbridge, M., **People Resourcing: Contemporary HRM in Practice**, 3rd edition, Essex: Pearson Education, 2006, p.62.

¹⁵⁰ Berger and Berger, 2004, p.65.

Organizations try to gain competitive advantage by learning and acquiring new capabilities and competencies. Sustainable competitive advantage in the long run is seen to come from the superior ability to identify, build and leverage new competencies.¹⁵¹

Once the organization is clear on the key competencies it requires the next step will be to find the suitable people profiles to fulfill these competencies. However since the characteristics of talented people vary from one another and their understanding of concepts such as cultures, values, or autonomy may also sometimes show differences. Understanding these subtle differences is very important in identifying, developing and retaining talented people. Hence the basic characteristics of talented people will vary not only by country but also by organization and function. Therefore it is critical for every organization to thoroughly complete its own assessment of competencies that matches its own industry and function.

Nevertheless, although there are significant differences among the characteristics of talented people, McKinsey divided “highly talented people” into four basic groups as “go with a winner”, “big risk, big reward”, “save the world” and “lifestyles” regarding to cultures, values and autonomy. According to the report, the common denominator in these categories of people is that they all care deeply about cultures, values, and autonomy, but each group of people differs in what they look for in a company.¹⁵²

The first category is “Go with a winner” which is for people who want a high-performing company, a company where they are going to get lots of advancement opportunities. They are less concerned with the mission and the location of the company. For these kind of talented people, working for a very successful or leader company is basic motivational factor to perform.

The second group is “Big risk, big reward”. The people who belong to this group want an environment where they are challenged either to do exceptionally well or

¹⁵¹ Pilbeam and Cordbridge, 2006, p.67.

¹⁵² McKinsey & Company, 2001, p.9-12.

to leave – where there is considerable risk but good compensation, and where they can advance their career rapidly. These executives value compensation and career advancement over their company's success or its active role in their personal development.

The third group is “Save the world.” It attracts people who want a company with an inspiring mission and an exciting challenge. Executives who belong to this group care less about compensation and personal development; challenging and exciting environment is the basic motivator for these people.

The last group is motivated by “Lifestyles”. These people seek companies that offer them more flexibility and better lifestyle benefits. Executives are more interested in flexibility with respect to lifestyle choices, geographic location, and compatibility with the boss than in company growth and excitement. For lifestylers, the work-life balance is one of the important factors that affect their performance.

The research conducted by McKinsey shows that the successful organizations tend to have a dominant talent segment, and that they determine, develop and retain their employee needs according to this segment. Ideally, a company should simply understand who it is aiming for, and make sure its company image (brand) is tailored to the talent segment it seeks to attract.¹⁵³

It is very important for the company to be clear about the category of people whom they seek to attract, and ensure that this category is good for the organization. Recruitment, development retention can be done by using a range of innovative channels to bring people in, but there has to be a complete organizational commitment to getting the best. It is relatively straightforward given today's HR practices for individual companies to develop detailed profiles of the kind of people they are after based on analyzing the background and experience of their current high performers.

¹⁵³ McKinsey & Company, 2001, p.9-12

4.2 The Role of Assessment Centers in Identifying, Developing and Retaining the Talented People

Managing talent successfully is a crucial issue for the success of the organizations. In today's business environment with the changing technological, social and economic conditions the importance of human capital is increasing incrementally. Therefore, managing this capital effectively and efficiently is becoming a vital success factor for the organizations.

In talent management; identification, development, and retention of talented people are the key success factors. Organizations try to attract and identify the best people in order to recruit according to the defined competencies. Then they try to develop and retain them to show good performance and create a competitive advantage against their competitors. The competencies that are determined by organizations set the premises for the process. Taking these competencies as a foundation, organizations use various tools as mentioned earlier in order to reach the best results. The assessment center method is one of the primary methods used in the identification and development of talented people.

In this section, first the importance of identification, development and retention of talented people is discussed briefly, and then in the light of these discussions, the role of assessment centers in talent management from identification, development and retention perspective are examined.

4.2.1 The Importance of the Identification of Talented People

The identification of talented people from both within the company and outside of the company is very important process that has a direct contribution to the overall success of the company. The survey conducted by McKinsey & Company showed that "better talent" will separate the winning companies from the others. They go on to conclude that the companies which have a strong talent in key positions create huge increases in performance levels. It was seen that in a manufacturing company, while the

best plant managers grew profits 130%, the lowest performing managers achieved no improvement. In an industrial services company, the best center managers grew profits 80% while the lowest performers achieved no improvement.¹⁵⁴

In order to reach similar results, companies have to be clear about the kinds of people that will be good fit for their organization and should have recruitment programs that covers detailed information about job profiles, competencies etc. According to McKinsey's study, most of the companies do not define the profile that will provide added value to their organizations and create outstanding performance within their culture.¹⁵⁵

Firms try to identify the best talent possible with the objective of ensuring smooth fit with the entire organization and creating added value successfully. In the identification process of talented people, defining the profile that meets the position requirements and company culture is the first step. All companies have different values, cultures and each position has special requirements. The best person in the pool may not always correspond to mean that he/she is the best fit for the company. Therefore, understanding and defining the appropriate profile is the key indicator in the identification process of the talented people.

The first step for the identification of talented people is to define the culture of the company and to match it with the candidate's qualifications so as to ensure a cultural fit. Like the culture of the company, identification of competencies required for the defined role is also very important in order to reach the aim. Therefore, looking at target companies that have a similar values, competencies and skills will be the one of the best actions for the further step in the identification of talented people. The final step is to identify the individuals holding the positions in the targeted companies and try to understand if they have the appropriate technical, management, leadership, and innovation skills to fit the organization. The main advantage of pursuing these external

¹⁵⁴ McKinsey & Company, 2001, p. 9-12.

¹⁵⁵ McKinsey & Company, 1998, p. 44-57.

sources of talented people is that it can provide quicker access to such talent pools when business needs emerge.¹⁵⁶

There is also a need to identify talented people within the organization. As mentioned earlier, finding talented people is a growing challenge for organizations. These talented people have different needs and concerns about companies and positions. Understanding and answering their needs is very important in creating job satisfaction. In addition to this, there is a fierce competition for the scarce source of talent pool. Lots of organizations try to attract this small amount of talented people. In such an environment, identifying talented people from within the existing organization is as important as identifying and attracting new talents.

The identification process of talented people within organization is similar to the identification of new talent from external sources. Defining the competencies is the first step for the identification of talented people within the organization. After the development of competency definitions that ensure clear, actionable, concise and measurable manner, building a solid, objective assessment tool in order to measure defined competencies is the next and crucial step in this process. In this process taking an outside consultancy support is an option for organizations. After building the assessment tool, the employees are assessed according to defined competencies and their strengths, weaknesses and growth areas are determined.¹⁵⁷

After the identification of talented people, attracting these people is the further challenge for the organizations. As mentioned before, while there is a huge demand for the talent, the resources are very scarce. Therefore, the companies have to compete for attracting the available resources. In addition to unbalanced supply demand relation, the high expectations of the talented people in terms of culture, values and autonomy are also the significant factor that accelerates the competition.

¹⁵⁶ Berger & Berger, 2004, p.129

¹⁵⁷ *ibid*

According to the research conducted by The Towers Perrin¹⁵⁸, while attracting the employees the most important factors are the pay and benefits that the company provide. Competitive health care benefits and competitive base salary were the factors that held top spots in the study. Work/life balance was seen as a strong factor in the recruitment decisions. Flexible schedules, part-time options, job sharing were considered as the common preferred actions that bring work/life balance to employees.

Among the important non-monetary elements in the mix, career advancement and work challenge remain critical, which is consistent with their importance in the overall work experience. Equally critical are the kind of people one works with and the kind of company one works for, factors that are presumably related, since company reputation helps draw the best talent, while that talent, in turn, helps build the company's reputation. Both factors point to the importance of working for an organization perceived to be a winner on a number of fronts.¹⁵⁹

4.2.2 Assessment Centers in Identification of Talented People

Assessment centers are becoming more critical for organization as their usage areas broaden. *The Guidelines* that determine the assessment center activities declare that assessment centers can be used for multiple objectives: selection, diagnosis for development, early identification, evaluation of potential, evaluation of competency, and succession planning.

In this respect, since the identification and development of talented people -both within and outside of the company- is very important for successful talent management, assessment centers aim to provide this information to the organization in the most objective manner. Therefore assessment centers are no longer just used for the identification talent but are also a tool to gauge the development needs and future potential of employees.

¹⁵⁸ The Towers Perrin Report, 2003.

¹⁵⁹ The Towers Perrin Talent Report 2003.

In identification of talented people, organizations use different tools as mentioned before. Assessment Center method is one of these tools that can be used to determine the potential people among the organizations or they can be used in the selection of external candidates. In this section, the role of assessment center in identification of talented people is examined in line with the previously provided information.

- Giving importance to competencies

While defining the evaluation criterions for the talented people, the first and one of the most important subjects in talent management is defined as the determination of definitions and measures of competency performance and potential. It was seen that every organizations should have its unique set of competencies and they should build their talent management strategy into these basis.

Like the overall talent management approach, the competencies are also very important for the identification of talented people. As mentioned at McKinsey report, while searching for talented people, the organizations should have clear mindset about their need respect to job profiles and competencies.¹⁶⁰ In summary, competencies play significant roles in talent management, especially for the identification of talented people.

As Berger declares building a solid, objective assessment tool defining the competencies that provide clear actionable, concise information is very important for the identification and development of talented people. The competencies are the key indicators of the success of the employees and the organizations. Therefore, determining and measuring these competencies successfully is vital for the organization.¹⁶¹

While competencies plays a significant role in talent management, for assessment centers, competencies are formed the basis of whole process. As mentioned in the literature, first step for the design of assessment center is determining and

¹⁶⁰ McKinsey, 1998, p.44-57.

¹⁶¹ Berger & Berger, 2004

defining the competencies of the defined roles. According to this information, the rest of the process is built. Therefore, by using assessment centers, the primarily important subject in talent management is tried assessed.

In line with this, the first step in the assessment center method is conducting a job analysis in order to determine the dimensions, competencies, and attributes. Dimensions are the building blocks of assessment centers. Assessors have been trained in the meaning and scoring of the dimensions and the dimensions will change according the purpose of the assessment. They are also referred to as proficiencies, competencies, and KSAOs (knowledge, skills, abilities, and other characteristics).¹⁶²

Using assessment centers offers the chance for an objective review of people's competencies. As mentioned earlier, the competencies are the basic blocks of talent management and the assessment centers provides objective and valid information about the competencies of the employees.¹⁶³ By using this tool in their talent identification process of the company, organizations have a chance to gain more objective and valid results about the potential people in line with their determined competencies.

While companies have a chance to objectively evaluate the employees, in assessment center method, employees also gain an opportunity to show their potential in the guidance of competencies. In other words assessment centers offer a win-win solution to talent management as both the candidate and the company benefit from the experience.

- Instill a talent mindset and recruit talent

As mentioned in the talent management strategy developed by McKinsey report, talent mindset is the deeply held belief that building a strong management talent pool is critical to achieving the aspirations of the company. It is very important to establish talent mindset at all levels of the organizations. All levels of the managers should take responsibility to identify, develop and retain the talent. In the assessment center method,

¹⁶² Thornton & Rupp, 2006

¹⁶³ Woodruffe, 1999, p.99.

the assessors are commonly determined from both the managers from the HR and the related business. Therefore, managers from different levels and job fields have a change to corporate and identify the future talent of the company.

In addition to that, the report also defines successful recruitment as a marketing opportunity rather than a purchase; the candidate is the customer and the company must market its jobs in an increasingly competitive marketplace. In such an competitive environment, using objective and valid recruitment tool might create an added value from the customers- candidates perspective.

- The combined assessment techniques

From the beginning the importance of identification of talented people is underlined and different tools are mentioned in this respect. Assessment center method contributes different advantages for the organizations like giving insights about future performance, competency based assessment etc, on the top of these characteristics, assessment centers can make specific judgments that are derived by the combined overall rating of multiple assessors, who have observed the actual current behavior of applicants, these rating can provide a more objective yet detailed assessment. The assessment center method has a significant competitive advantage against other selection techniques.

By using multiple assessors from the companies and external consultancy companies, the assesses are evaluated more objective way, which in return provide more valid and accurate results. In addition to that, assessment center method combined different assessment methods like simulation exercises, interviews and tests. With the multiple assessment method, it provides more detailed picture about the assessees.

While we consider the difficulty of identification of talented people, the advantage about getting more objective and detailed profiles provided significant added value to organizations.

- The Future Performance

It is very hard to evaluate the future performance of the employees before assigned to a specific role. From talent identification perspective, it is also valid in two ways. While companies tried to identify talented people from outside, they could gain a valuable idea about their past performances by using many ways (as mentioned in previous sections). But they might have many question marks about the future performance even the candidate has shown outstanding performance. It is also similar for the internal employees. For the management it is important to estimate the future performance of the employees while deciding promotion or internal movements. In these cases, assessment center method contributes to assess the future performance of the talented people.

By observing how a participant handles the problems and challenges of the target job or job level (as simulated in the exercises), assessors get a valid picture of how that person would perform in the target position. This is especially useful when assessing individuals who hold jobs that don't offer them an opportunity to exhibit behavior related to the target position or level. This is often the case with individuals who aspire to management positions but presently hold positions that don't give them an opportunity to exhibit management-related behavior on the job.¹⁶⁴

Assessment centers are commonly used for the identification of talented people. This can be done in two ways as the identification of people with potential from the organization or selecting a talented people from outside of the organization. In addition to that, some companies use this method as a development tool. In the following sections, detailed information about the usage areas of assessment centers will be provided.

¹⁶⁴ Byham, 1991.

4.2.2.1 Assessment Centers in Identification of Talented People within the Company

As mentioned earlier, attracting and recruiting talented people is a very delicate yet difficult issue in today's business world. Since talent is a scarce source, there are tremendous opportunities waiting for the talented people. Therefore, sometimes identifying talented people within the organization is a good opportunity for the organizations. In this way, different than recruiting new talented, the companies evaluate the current employees and try to identify the people with potential. With this method, the companies save from time, operational effort and recruitment costs for searching and placing of a new talent, and they also minimize the adaptation risks of new employees after the recruitment.

In order to determine talented people within the organizations, companies use various tools as discussed before. The assessment center method is one of the recently preferred methods to identify potential people within the organizations. Today, many companies use assessment centers, particularly for management assessment and the early identification of managerial potential.¹⁶⁵

In their study, Thornton and Rupp (2006) emphasize the importance of using assessment centers for the identification of potential for organizations. The organizations typically design these programs in order to identify people with long-range potential, and the purpose of the exercise is to assess basic aptitudes and characteristics that indicate the person will develop over time.¹⁶⁶

In addition to its application in identification of talent, assessment centers play an important role for the promotion decisions of companies. The study shows that for identification and promotion programs, organizations are usually inclined to use assessment center to help higher managers identify candidates who have the abilities and potential to learn and grow in a new position. Thus, given this long-term approach

¹⁶⁵ Hagan, Konopaske, Bernandin, Tyler, 2006

¹⁶⁶ Thornton & Rupp, 2006.

it is critical for these assessment processes to assess attributes related to candidate's abilities and their potential to learn instead of what they know or do today. This long-term perspective and the ability to extrapolate to future jobs and positions make assessment centers extremely valuable tools in talent management and promotion planning.

Another survey, showed that the assessment center method can be applied to managerial selection. In other words, this method is a valuable technique for the identification of management potential of employees based on measuring and evaluating a person's ability to perform critical work behaviors. In these instances, individuals who participate in an assessment center are likely to either be a current manager who is being considered for promotion to higher levels or employees such as upcoming college graduates, who are being considered for management positions. Research results showed that the promotion of those candidates who achieve a good rating at the assessment center led to an improvement in the quality of management at the first level of supervision, particularly in building a pool of managers with potential to advance to higher levels.¹⁶⁷

According to Sadler, centers have been frequently used to identify long-range potential for top jobs and follow-up researches indicates that they do predict the managerial level which participants will reach many years later. Assessment center results are better predictors than personality tests, clinical judgments, interviews or supervisors' ratings. In particular they have shown to outperform most other selection methods in predicting managerial success¹⁶⁸.

The assessment center exercises that aim to identify potential within the company should provide opportunities to observe behavioral information relevant to predicting long-range success in a variety of higher level positions. During the assessment center process, among the things that are looked at and evaluated are the individual abilities for performing a particular kind of work, the extent to which the

¹⁶⁷ Thornton & Rupp, 2006

¹⁶⁸ Sadler, P. **Managing Talent: Making The Best of the Best**. London: Pitman Publishing, 1993

evaluators believe the individual will likely be a candidate for future promotion in the firm, how the individual functions in the groups, and the kinds of training and development that may be necessary to help the individual develop more fully.¹⁶⁹

According to McKinsey researches, companies too often give in to the temptation to treat all their people the same way. The leading companies conduct clear-eyed assessments of their talent; they differentiate between how they invest in top performers and low performers. They shower top performers with job opportunities that excite and challenge them, and pay them for the value they create. Furthermore, they recognize that poor performers are not only failing in their own jobs, but are also bringing down everyone around them. In this respect, assessment center might contribute a detailed data about the employees strengths and weaknesses which in return help to identify the high performers and low performers of the organizations.

In summary, using the assessment center method for the identification of talented people within the organization is accepted tool for especially determining future managers, deciding promotions and internal movements of employees since it provides objective, and detailed results that contributed to company decisions.

4.2.2.2 Assessment Centers in Identification of Talented People Outside of the Company

As discussed in the history section of assessment centers, the primary use of assessment centers has been to select the people with the most potential. Therefore, assessment centers are the commonly preferred method for the identification and selection of new talent by organizations.

According to Woodruffe, in many circumstances, an assessment centre seems the best alternative for identification and selection of talented people. Because first of all, assessment centers provides maximum information on people. The centre gets the

¹⁶⁹ DeNissi & Griffin, 2001, p.215

candidates to take part in exercises that stimulate the demands that would be made of them if they were employed by the organization.¹⁷⁰

The other advantages of assessment centers are clearly applicable for all levels of the organizations; even the potential of graduate applicants can be evaluated. Moreover, such centers have the recruitment advantage of demonstrating to applicants the professionalism of the selection procedure. The organization is seen as both up to date and through. Candidates also feel they have been able to demonstrate their strengths, rather than being left with the feeling after an interview of having been able only to show a small part of themselves or the feeling of mystification over what it was about in psychometric testing.

Most companies leave a tremendous amount of human potential unrealized because their people are inadequately developed. Talented people crave the opportunity to grow, and without it they'll leave. Creating great leaders means deliberately giving people job challenges that push the bounds of what they thought themselves capable of. At the same time, it means providing the life preservers for succeeding at "stretch" opportunities. It means giving people the candid feedback they need in order to grow, without the sweaty palms that often accompany these infrequent exchanges. It means weaving mentoring into the fabric of the organization – so that it is *in* the institution, and not an appendage.

4.2.3 The Importance of the Development of Talented People

All organizations, small and big, local, national and global need to develop and retain talent in order to do business in a fast-changing market place and market space. Developing talent is essential not only to win but also to sustain competitive advantage.

¹⁷⁰Woodruffe, C., **Winning the Talent War: A Strategic Approach to Attracting, Developing and Retaining the Best People**, New York: John Wiley & Sons Ltd., 1999, p. 12-17.

In some organizations the strategy of developing talent means identifying key employees (the potential stars) who are destined (assuming that their organizations do not 'let them go' in crisis situations) to become key players. In other organizations the 'developing talent' strategy applies to all employees so that these employees can achieve new skills in order to enhance their organizational capabilities.¹⁷¹

Development of talent helps to foster:

- The talent to win and sustain competitive advantage.
- Enhances organizational capability.
- Enables organizations to manage complexity.
- Talent can be used to create and transfer knowledge.
- Talent is one of the key drivers of innovation.

In general, in order to create a development program and to close the gap between an employee's performance and an organizations requirement, the organization must prepare a set of appropriate training and development options for each selected competency as it relates to that employee. Creating a coaching guide, assembling a directory of the best training and development programs organized by competency and creating a directory of top books associated with each competency are some of the commonly used examples for training and development tools.¹⁷²

As implied by the name, talented people are high performing and high potential people who can create significant added value to the organizations and play a determining role in company's future success. In order to provide work satisfaction and realize their full performance, their successful management and development is vital. In order to keep these talents within the organization and draw out high performance, organizations should adequately address their development needs.

¹⁷¹ Kermally, S, **Developing and Managing Talent: A Blueprint for Business Survival**, Thorogood 2004

¹⁷² Berger & Berger 2004, p.90

As mentioned earlier development of talented people is very important. Typically, the organizations can make the most of its talent and develop them through the medium of directed work and coached performance. While these people can be developed by common training and development tools, the organization can also provide different opportunities that improve their personal and professional skills of these people within the organizations.

Giving early responsibility in significant areas of contribution to the business, early leadership roles and positions of accountable influence, high-value, high-profile assignments, specific profitability improvement projects, cross-functional roles, opening up a new business within organizational boundaries, new global roles, working abroad, being allowed to fail, learn quickly, move forward and succeed are some of the alternatives that improve the skills of talented people¹⁷³

Organizations also need to develop a capability for developing talent which involves ensuring that employees continually acquire new skills and capabilities and prepare to take on new responsibilities. It establishes a central link between the development of employees' talents and the accomplishment of the organization's purpose and strategy. In that way, employee development is both ongoing and strategic. Although this capability embraces specific education or training initiatives, the talent powered organization achieves much essential development simply as part of its daily work, through work roles and special assignments, and through relationships at work, particularly with line managers. It trains and develops all managers to attract, retain, motivate, nurture and grow talent. It rewards them when they achieve this, and sanctions them when they do not. They ensure that all managers develop the individual talents for which they are responsible and adopt this as their key priority.¹⁷⁴

The research conducted by McKinsey & Company determines some basic steps for the development of talented people and talent programs.

¹⁷³ Duttagupta, 2005.

¹⁷⁴ Cheese P., Thomas R.J., Craig E, **The Talent Powered Organization: Strategies for Globalization, Talent Management and High Performance**, Kogan Page 2008

Put people in jobs before they're ready: The results of the research shows that the key factor for the development is “a big job before I expected it.” However, the research also shows that, only 10% of the top 200 executives strongly agree that their company uses job assignments as an effective development tool. Companies rarely provide opportunities to their workers to undertake unfamiliar business unit experience, P&L responsibility or leadership role in starting a new business. In order to perform better on this subject, the report suggest various alternatives among which are: forming smaller and more autonomous units, creating the maximum number of P&L jobs each business will bear, and using special project teams to provide new challenges and ways of working together.

Put good feedback system in place: Although companies know the importance of giving feedback and coaching, most of them do not perform these efficiently and effectively. According to the research, seventy-three percent of executives view informal feedback and coaching as essential or very important to development, but only thirty percent rate their company as excellent or very good at providing them. Providing good feedback and coaching not only plays an important role in the development of talented people, but also all employees of the organizations. Fortunately, companies can push leaders to offer more feedback through “360-degree feedback” programs and other formal mechanisms.

Move on the poor performers now: Most companies have a number of low performing employees in their organizations. These employees are not exactly failing, but neither are leading the way. The cost of employing these types of people is very high and also their low productivity lowers the performance of all those with whom they work with: teams go underdeveloped, and high performers get discouraged and leave. When the talent people leave the weak performer end up surrounded by a circle of weak performers, the effects flow out across the organization, and the company's employee proposition is damaged. The research showed that taking action to deal with

poor performers is the most difficult, least exploited talent-building lever for any company.¹⁷⁵

4.2.4 Assessment Centers in Development of Talented People

In the previous section the importance of developing talented people is examined. In this section, the role of assessment centers in development of talented people is discussed.

Assessment center are often regarded as performance evaluation instruments that have a high potential for detecting actual competence level of employees. Increasingly they have become a widespread tool in organizations for selecting personnel and for that matter, could be regarded as a promising candidate for a developmental approach to performance assessment.

As mentioned at the McKinsey Talent Management Strategy, companies should create an Employee Value Proposition to answer the question “Why would a talented person want to work here?” and while answering this question, growth and development opportunities plays an important role for employees since today people realize that their skills are their only real securities. Therefore, they want to work organizations where they can improve and develop their skills.

In this respect, Assessment Centers contribute to the organizations in two ways, first the identification of development needs and as a development tool.

- The Identification of development needs

Talent people seek all opportunities to learn and develop, however most companies are not successful in delivering these opportunities to their employees. This

¹⁷⁵ Chambers, E. G., Fulon, M., Handfield-Jones, H., Hankin, S. M., & Michales, E.G., “McKinsey & Company: The War for Talent”, **McKinsey Quarterly**, Vol.3, 2001, p.44-57.

gap leaves a lot of human potential unrealized because the employees end up being inadequately developed or worse yet they'll leave the companies.

Creating great leaders means deliberately giving people job challenges that push the bounds of what they thought themselves incapable of. This task of identifying challenges and helping employees realize their boundaries is a one of the key advantages of assessment centers.

Assessment centers not only help employees to objectively understand their capabilities but they can also present them with challenging –near life- examples or scenarios. By undertaking these challenges and receiving professionally feedback on a range of competencies and skills, employees are able to develop and also prepare for their jobs.

Assessment centers use is not limited to providing the skills for succeeding at “stretch” opportunities but also presents them with the candid feedback they need in order to grow.

In other words, assessment centers give detailed information about the strengths and weakness of employees according to determined competencies; they provide valid and objective feedbacks about the development needs of those employees. According the valid and objective information provided by assessment centers, development needs of talented people are determined more accurately and training and development programs are designed accordingly. According to Sadler, assessment centers are growingly used to identify training and development needs of the talented people¹⁷⁶.

In addition to identification of development needs, the assessment information can be equally well used for providing feedback, making a match between the strengths and weaknesses of a person and a better tailored development track for individuals. An

¹⁷⁶ Sadler, 1993, p 69-71

assessment center has, therefore, high potential to “monitor” competencies as well¹⁷⁷ if they are used continuously on an employee.

Briefly, with assessment centers, organizations, can identify the strengths and weaknesses of its talent in line with company competencies and prepare development plans in line with these findings. With the implementation of these plans, employees feel the growth and development opportunities of their company and the company can make proper investments in people and competency basis.

In the previous section, for the development of talented people, it is mentioned that giving assignments before the employees are not ready is a way for their development. While executing this approach, the results of assessment center can provide guidance to the companies. According to findings employees might be assigned to new roles in line with their strengths as a part of their development plan.

Another important output of assessment centers is objective and detailed feedback about the determined competencies. As mentioned before, providing good feedback and coaching not only plays an important role in the development of talented people, but also all employees of the organizations. Therefore, outputs of the assessment also contributes to the development of the talented people.

- The Usage as a Development Tool

Assessment Centers also can be directly used as a development tool of the talented people. Although assessment center method is one of the development tools, it is not the common one. While using this tool for development, it should provide some importance to several issues. It should be built around a somewhat different set of competencies/dimensions as they should be developable, but more specifically, they should be trainable in the context of the current assessment center or with reasonable follow-up efforts.¹⁷⁸

¹⁷⁷ Tillema, 1998

¹⁷⁸ Thornton & Rupp, 2006, p.102-129.

4.2.5 The Importance of the Retention of Talented People

Today with the significant technological improvements, employees are highly informed about other job options, and they have an access to job opportunities which brings mobility mindset to employees. In addition to this mobility, regardless of the financial strength or weakness of the economy the talented people are always needed and always have job opportunities to evaluate.¹⁷⁹

Paradoxically, it is the companies that have done the best job of recruitment and development that may be most at risk from poaching. But every company needs to understand why its high performers are leaving. Turnover must be tracked by performance level.¹⁸⁰

According to the survey conducted by The Towers Perrin, during the recruitment process while the pay and benefits play a significant role, in the retention the most important factors are career advancement opportunities and retention of high caliber people. Overall working environment and development of employee's skills are the following retention drivers.¹⁸¹

In light of the above, and taking into consideration all advancement in the selection process, giving high priority to motivate, engage, and retain the talented people will be one of the most important duty of the Human Resources Professionals. Employers will continuously assess the right combination of reward elements to ensure that their top talent remains continuously committed to the company. Also, in addition to tangible rewards, intangible rewards like learning and development opportunities will become even more essential in the retention of talented people.¹⁸²

¹⁷⁹ The Towers Perrin Talent Report 2001

¹⁸⁰ McKinsey & Company 2001, p.9-12.

¹⁸¹ The Towers Perrin Talent Report 2001

¹⁸² Berger & Berger, 2004, p.351.

4.2.6 Assessment Centers in Retention of Talented People

In the literature about assessment centers and talent management, no direct relation have found about the retaining talented people and assessment centers. On the other some advantages of assessment center usage might indirectly affect the retention of talented people. By using assessment centers;

- Right and tailor-suite development plans
- Identification of talented people on objective and valid criterions
- Taking promotion and movement decisions according to objective and valid results might have positive affect on the retention of talented people.

5. IMPLEMENTATION: THE USE OF ASSESSMENT CENTERS FOR TALENT MANAGEMENT

In the implementation section, an example that uses Assessment Center method as a part of Talent Management strategy is examined in order to view the real life implementation of the literature.

The subject of the example is a leading multinational FMCG (Fast Moving Consumer Goods) Company operating in Turkey. (The leading multinational FMCG Company will be mentioned as The Company through out this section). The Company started to use Assessment Center method as one of the components of its Talent Management strategy and this application is examined deeply in line with the theoretical knowledge that was provided in the previous sections.

In this section, the objective and methodology of the implementation is defined primarily. Then detailed information (like vision, objectives, values etc. of the company) about The Company will be provided. In addition to this, general information about the talent management strategy and the role of assessment center practice within this strategy will be discussed. The competency model of The Company which is the foundational step for both talent management and the assessment center practice is the other important subject that is examined through this section. Finally, details and results of the implementation from The Company perspective are examined.

5.1 The Objective of the implementation

In this study, The Company that uses assessment center method in its talent management strategy is studied in the light of theoretical knowledge discussed in previous sections. The objective of this study is examining a real life experience for the role of assessment center method in Talent Management strategy and initiating a comparison between the theoretical knowledge and real life experience.

The Company has integrated the Assessment Center method into its Talent Management strategy basically to identify high potential people in its sales operations and invest into these employees' development. In addition to that, with the inputs of this project, The Company aimed to establish foundations of its talent pool.

The Assessment Center method was initially applied twice in December 2006 and December 2007 as a pilot project. The whole process can be examined in two parts. First part includes the implementation of Assessment Center and evaluation of the results by HR Management and Sales Management. The second part covers the formation and implementation of development plans in line with the Assessment Center results.

In both 2006 and 2007, Human Resources and Sales Teams have worked together closely. In the process, an external professional consultancy company provided assessment center service and played an active role.

5.2 Methodology

The information about The Company is obtained from the official company website and news about the company. The Human Resources professionals of the company, the employees of the company who have participated the assessment center process and the consultants in the consultancy company that provides assessment center service are the main sources about the company's talent strategy and the applied project.

The whole process is examined in the guidance of the theoretical knowledge provided in the previous sections and the evaluation of the process is done accordingly. The structured face to face interviews were conducted with three parties of the implementation:

Interview with HR Professionals in order to provide information about:

- General information about the Company and its activities
- Talent management strategy of the organization

- Competency Model of the Company
- The reason, aim, duration and impact of the project
- The development and implementation of the project
- The results of the project from organizational perspective

Interview with External Consultancy Company in order to provide information about

- Preparation process of Assessment Center method for the Company
- Implementation process of Assessment Center method for the Company

Interview with Participants in order to provide information about

- Implementation process of Assessment Center method from employee perspective

In addition to those interviews, related documents, like internal and external communications, HR guidelines, Simulation Documents, Feedback reports, Development Plans etc. were examined.

5.3 General Information about The Company

The Company is among the world's largest food and beverage company with revenues of more than \$30 billion. For more than 100 years, it has been dedicated to helping people around the world eat and live better. Hundreds of millions of times a day, in more than 150 countries, consumers reach for their favorite brand.

The brands are among the leaders in the market and many are household names. The outstanding portfolio of products falls into the core categories of cheese and dairy, chocolate and coffee. The staying power of these brands is undisputed - some are more than a century old.

In addition to having high quality brands success owes much to their talented and dedicated employees. They are focused and passionate about their work, always seeking new ways to satisfy consumers and customers. The constant pursuit of

excellence and policy of innovation is achieved through a combination of personal drive and solid teamwork. All working towards the vision of helping people around the world live and eat better.

The values that guide the company include a sense of community responsibility, reflected in a wide range of sponsorship and charitable programs. These primarily focus on supporting hunger programs and helping local arts and environmental projects. Caring for the environment is a priority within our operations too.

With revenues of \$34 billion, the company is one of the world's largest food and beverage companies. For more than 100 years, they have offered consumers delicious and wholesome foods that fit the way they live.

- Products are present in more than 99% of US households.
- Markets many of the world's leading food brands. Has 7 brands with revenues of \$1 billion and over 50 brands with revenues of \$100 million. Over 40 of the brands are more than 100 years old.
- Has more than 90,000 employees and 159 manufacturing and processing facilities worldwide.
- Millions of times a day, in more than 155 countries, consumers reach for their favorite brands.
- Meeting our responsibilities as a public company and global citizen is the right thing to do and right for our business.

5.3.1 The Company Structure

The organization is structured along three dimensions, aligned with the global consumer sectors – beverages, cheese and dairy, convenient meals, grocery and snacks – and focused on working closely with each other.



Figure 6: Company structure; company documents

5.3.1.1 Global Marketing & Category Development

Global Marketing & Category Development is responsible for global category strategies, new product growth platforms and marketing excellence.

5.3.1.2 Commercial Units

The two commercial units –North America Commercial and International Commercial – are each responsible for determining the marketing and sales programs that best meet the needs of local consumers and customers, with profit and loss responsibility for the results. International Commercial includes four geographic regions are Asia Pacific (AP) Region, Eastern Europe, Middle East & Africa (EEMA) Region, European Union (EU) Region and Latin America (LA) Region .

5.3.1.3 Global Functions

Eight global functions are strongly aligned and linked to the Global Marketing & Category Development group and the two commercial units. The functions are centers for excellence, with responsibility for identifying and sharing best practices and using our global scale to best advantage: Global Supply Chain, Global Technology & Quality, Global Finance, Global Human Resources, Global Law, Global Information Systems, Global Corporate & Government Affairs, and Global Strategy & Business Development.

5.3.2 The Company Vision and Values

5.3.2.1 The Vision

Helping People Around the World Eat and Live Better

The vision captures the essence of who the company is. The vision is about meeting consumers' needs and making food an easier, healthier, more enjoyable part of life.

Vision tells the world –employees, customers, consumers and the communities where they make and sell our products – what the company cares about. It captures the importance of health and wellness, but it also embodies all the ways we can eat and live better, such as the enjoyment of a dessert, the convenience of a microwave meal, the safety and value of our products and the services and solutions we provide.

5.3.2.2 The Values

Innovation – Satisfying real-life needs with unique ideas

Quality – Fulfilling a promise to deliver the best

Safety – Ensuring high standards in everything we make

Respect – Caring for people, communities and the environment

Integrity – Doing the right thing

Openness – Listening to the ideas of others and encouraging an open dialogue

These six values are what the company stands for, the standard of conduct they hold themselves to and commitment to the people who work with there and purchase its products.

They plainly communicate what the world can expect of the company.

Vision
Helping People Around the World Eat and Live Better

Mission: Undisputed Global Food Leadership

▪ Consumers	–	First Choice
▪ Customers	–	Indispensable Partner
▪ Alliances	–	Most Desired Partner
▪ Employees	–	Employer of Choice
▪ Communities	–	Responsible Citizen
▪ Investors	–	Sustainable Growth

Guiding Principles

- Put Consumers First
- Work Simply, Act Quickly
- Play To Win

Figure 7: Company vision, mission, and principles; Company documents

5.3.2.3 Strategies

Strategies are the road map for achieving long-term success, and ultimately reaching our vision. They provide the framework for the goals we set and the commitments we make to our investors, employees and communities around the world.

- **Rewire the organization for growth ...** to instill a growth mindset with a strong bias for candor, courage and action
- **Reframe categories ...** to make portfolio more relevant and grow faster
- **Exploit sales capabilities ...** to build scale advantage
- **Drive down costs without compromising quality ...** to strike a better balance as the company invests more in growth

5.3.3 Business Areas

Beverages will build market share and profitability by focusing on better-for-you, premium and convenience beverage offerings. Cheese will grow its market share of the total cheese category by focusing on snacking and quick-meal usage. Convenient Meals will drive category and share growth by sourcing from away-from-home eating occasions through new product innovations and premium quality, while maintaining industry leading profit margins. Grocery will achieve moderate growth and stabilize market share by contemporizing its brand portfolio through innovations in convenience, health and wellness and quality. Snacks & Cereals will drive category growth and build on leading share positions through investments in growing channels and underdeveloped segments within existing categories. Foodservice will improve profitability by focusing on segments that build brand equities. European Union will achieve moderate growth through maintaining market share in Coffee, Chocolate, Cheese and Biscuits. Developing Markets, Oceania & North Asia will accelerate developing market growth by building scale and profitability in markets that can make a difference.

5.3.4 Goals of the Company

The company has identified 8 critical areas for short term success

Goals

GROWTH/ INNOVATION	ORGANIZATION EFFECTIVENESS	COST MANAGEMENT	FINANCIAL
1. Achieve targets/milestones for trajectory- changing growth initiatives 2. Leverage cross category and cross geographies opportunities by building capabilities to leverage scale of the Company 3. Deliver competitive advantage through Sales scalability 4. Invest in quality as a growth driver	5. Achieve growth by raising the bar on talent and development 6. Improve organization effectiveness in support of growth agenda	7. Create a “lean” operating structure to provide funds for growth	8. Deliver predictable performance by achieving key financial goals

Figure 8: Company goals; company documents

5.3.5 The Turkish Subsidiary

The Turkish subsidiary was initially formed as a joint venture between a Turkish family owned holding and the parent company with the intention of importing oil, beverages, coffee and chocolate in the late 1990s.

During this period the company established itself as a major player in these markets and later split-up from its Turkish partner to become a fully owned subsidiary. During this time the oil business was sold and the company focused on its core categories. To further its foothold in Turkey an acquisition was made in 2003 and the company has been growing in Turkey since.

The company has more than 150 employees of which a majority is in the sales function. Sales is done through distributors and a dedicated sales force. There are seven regions and a sales manager is responsible for each region. Reporting to the sales managers are area manager who are responsible to leading the distributors to reach the sales objectives.

5.4 The Competency Model of the Company

Competencies are the knowledge, skills, and abilities that are critical to successful individual performance and necessary to achieve the company's business objectives. These competencies provide clarity on what's important, guide employee performance and development, and enable the Company to build a pipeline of talent—all of which are key for executing business plans and achieving the strategy.

The Core Competency framework is applicable to everyone across the Company and influences every part of people management. In other words; these core competencies guide:

- How the company identifies and selects great talent,
- Continuously manages performance and deliver results,
- Develops and prepares for tomorrow's challenges.

With respect to performance management, core competencies are the "how's" in performing the work and achieving business results. Through conversation, managers and associates should clarify the expectations for how to do the work and the behaviours associated with it. These expectations then become the basis for ongoing feedback, coaching, and a performance rating at the end of the year.

Employees are asked to develop these competencies during their tenure with the company in 3 ways:

1. Solicit Feedback from managers on how and when certain behaviours associated with the core competencies were demonstrated and any areas that need to be developed. Also, through participating in the 360 feedback process as part of a leadership development program or talent.

2. *Identify Areas of Focus* based on feedback and insight, determine the strengths should continue to be leverages and the areas in which there is further need to develop or enhance.

3. *Generate Development Activities* and utilize resources, such as training courses, ongoing feedback and coaching from someone in a position to observe the employee on a regular basis, and on-the-job experiences or learning projects, to create a development plan.

The company uses two sets of competencies. The first set is valid for everyone in the organization and the scope changes with rank and responsibility. The second set is based on the function and is driven by that person’s expertise in a given job.

5.4.1 General Competencies

Table 6: General Competencies of The Company

Grows and develops the business	Accomplishes/ Delivers Results	Develops and inspires others
All Leaders and Employees		
Drives Innovative Business Improvements	Delivers Results	Develops and inspires others
Balances Immediate and Long-Term Priorities	Imports and Exports Good Ideas	Lives the Values
Senior Leaders and General Managers		
Builds Vision and Strategy	Influences the System	Builds a Winning Culture

Drives Innovative Business Improvements : Develops new insights into solutions that result in organizational improvements, promotes a work environment that fosters creative thinking, innovation, and rational risk-taking.

Balances Immediate and Long-Term Priorities: Seeks to meet critical objectives while considering the impact of those decisions and activities on ability to achieve long-term goals.

Builds Vision & Strategy: Sets a compelling destination and seeks breakthrough ideas to drive growth; Able to manage through complexity to provide clear direction through well developed strategies.

Delivers Results: Focuses on the critical few objectives that add the most value and channels own and others' energy to consistently deliver results that meet or exceed expectations.

Imports and Exports Good Ideas: Relentlessly seeks, shares, and adopts ideas and best practices in and outside the Company and embraces change introduced by others.

Influences the System: Builds a strong network of relationships inside the system and with customers to create shareholder value; Leverages a broad set of influencing strategies to navigate the system and moves ideas forward in a sustainable way

Develops and Inspires Others: Builds and maintains relationships that motivate, guide, and/or reinforce the performance of others toward goal accomplishments. Develops self and others to improve performance in current role and to prepare for future roles; seeks and provides feedback and coaching to enhance performance.

Lives the Values: Demonstrates the values of the company through words, actions, and by example; fosters an environment that reflects the values of the Company.

Builds a Winning Culture : Creates an environment that fosters innovation, bold moves, and a passion to win in the marketplace.

5.4.2 Specific Competencies

In addition to the above core competencies that need to be shared by everyone, various functions have their own set of competencies which help them excel in their job.

For instance in the sales function the employees are expected to focus their competencies on building a rational benefit for the brand along with an emotional one. Each of these aspects has their own set of competencies

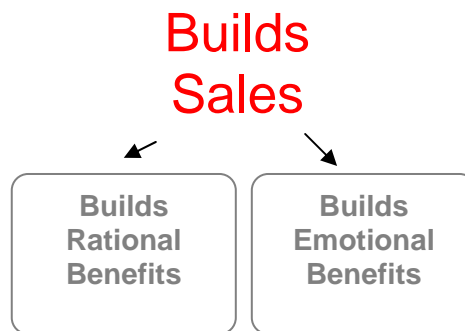


Figure 9: General Competencies of The Company

Builds Rational Benefits

- Understands the external environment (competitive and market) and identifies new sources of opportunity
- Interrogates data to identify core business levers
- Balances facts with intuition to distill complex opportunities into compelling business cases
- Understands the operational fundamentals of the Company
- Leverages analytical rigor to prioritize and allocate resources effectively
- Measures financial and equity impact of investments and institutionalizes learnings
- Deploys discipline and process to improve impact and speed to market

Builds Emotional Benefits

- Seeks understanding of fundamental human needs and behaviors
- Pursues innovation and change with a mindset of continuous improvement
- Balances intuition and fact to distill complex thought into compelling ideas
- Demonstrates judgment to define a compelling core creative idea

- Crafts a vision for what the brand / category / market could be
- Persuades and inspires others (consumers, agency, system, suppliers, rights holders, etc) to create belief
- Anticipates future trends to engage and delight consumers

5.4.3 Competency Scale

Each employee is expected to show a certain degree of mastery in every competency based on their tenure and experience. Therefore each competency is assigned a certain “expected” proficiency level by using a scale of 1 to 5 based on the level. Individuals are then graded against these levels.

Competency Level	Competency Definition	Understanding	Application
1 - Expert	Mastery at the highest level of understanding and application	Mastery	Habitual
2 - Proficient	An advanced degree of understanding and consistent application	Mastery	Regular
3 - Developed	Full understanding of the concepts and their application to the business	Full	Regular
4 - Competent	Meaningful understanding with some experience and application	Some	Some
5 - Aware	Limited understanding or experience, with full potential to develop	Limited	Limited

SALES COMPETENCIES	Required Level*	Self Evaluation	Mgr. Evaluation	Current Level**
Understands the external environment (competitive and market) and identifies new sources of opportunity	1			
Interrogates data to identify core business levers	2			
Balances facts with intuition to distill complex opportunities into compelling business cases	1			
Understand the operational fundamentals of Sales System	2			
Leverages financial rigor to prioritize and allocate resources effectively	2			
Measures financial and equity impact of investments and institutionalizes learnings	2			
Deploys discipline and process to improve impact and speed to market	2			
Anticipates future trends to engage and delight consumers	2			
Seeks understanding of fundamental human needs and behaviors	2			
Pursues innovation and change with a mindset of continuous improvement	1			
Balances intuition and fact to distill complex thought into action	1			
Demonstrates judgment to define a compelling core creative idea	1			
Crafts a vision for what the brand / category / market could be	2			
Persuades and inspires others (consumers, agency, system, suppliers, rights holders, etc) to create belief	2			

Figure 10: Example of rating form

The employee is assessed both himself and is also assessed by his direct manager. The average of these discussions is then compared with the required level of experience for that competency. In areas where there are wide discrepancies a method of development tool is selected.

5.5 Talent Management Strategy of the Company

5.5.1 The Role of Talent Management Strategy within the Company

The success of The Company depends largely on its ability to continue attracting and retaining the best talent. The company wants to be as well known for its people as it is for its brands.

Managers play a key role in making this happen. By helping the company to attract, retain, and develop people in the right positions, doing the right things in the right way, they help The Company to advance and grow, which they believe in return has a direct effect on the overall performance .

The Company wants to become an employer of choice and therefore must make sure that all employees:

- Think it is a great place to work.
- Know it has high standards and that they have been carefully assessed against them.
- Feel they have been treated fairly.
- Feel they have been given the opportunity to perform to the best of their abilities.

It is believed that the continued success and sustained growth of the Company depends on everyone. Ultimately, it is people who make the magic happen; therefore identification and development of high potential employees makes a large contribution to this – by helping to carry out current roles and preparing for future roles.

All managers have a part to play in making identification and development work – as enablers, teachers and coaches, they can unleash each other’s full potential, and bring out the best in each other.

It is believed that successful Talent Management strategy which includes the identification and development of potential employees increases the company’s capability to perform in current roles and increase potential to perform future roles. To this extend The Company believes that both employees and managers have specific roles in determining and developing its people.

Promoting and supporting effective development as a manager will:

- Help to attract the best people.
- Help to achieve team/departmental objectives with improved results.
- Allow the team to take on new responsibilities – enabling the team, and the organization to reach its growth targets.
- Allow to focus on those areas that will result in the greatest leverage and impact in accomplishing our Company destination.

For employees, effective, sustained development will:

- Help employees successfully achieve their current goals.
- Give employees the satisfaction that comes from being the best they can be.
- Allow employees to expand the skills and experiences they need to grow their career.

Development is an integral part of talent management as it can create high impact in the employee’s development. By far the most important, relevant and effective way to develop people is through their job. It is constant and continual and it is what they do every day. It is what happens while they are busy pursuing their agreed goals. It’s relevant to business objectives and individual growth and, if done right, will result in higher employee performance.

Given the importance of this “on the job guidance” the managers are given a number of techniques and approaches that exist for on-the-job development in the company to make it easier to take advantage of this valuable opportunity.

5.5.2 The Components of Talent Management Strategy

The Company gives significant importance to its Talent and combined different tools in order to ensure the management of its talent. The company utilizes 8 different processes:

5.5.2.1. Cross Business Assignments/ Projects

The Company gives employees to opportunity to involve special projects to expand their capabilities where by they are given important, ‘real’ work. In which the managers are aligned with all business units on how it is going work.

5.5.2.2 Coaching and Providing Feedback

This practice led by the manager or internal or global mentors. The aim of Coaching and Providing Feedback is:

- To identify and address behavioral, attitudinal, or motivational issues that are affecting the employee’s performance and/or work relationships, and may be jeopardizing job and career success.
- To clarify issues with the employee.
- To support the employee when roles and responsibilities have changed and their performance is not meeting performance expectations or goals.
- To give feedback to help the employee identify blind spots and growth opportunities.
- To work with the employee to develop a performance improvement plan.

5.5.2.3 Job Enlargement/Delegated Duties

The aim of this process is to help employees take on additional responsibilities so that they can learn. By Job Enlargement /Delegated Duties practice, The Company objects to:

- Development is about giving employees more decision-making and discretion, or a new responsibility.
- To provide additional support by determining the development level, and support the employee's new learning through effective leadership.

5.5.2.4 Observation/Learning from others

For this tool, it is important to agree on details/limits of activity (e.g. what will be observed, time involved). Regular debriefs are done with the employee on what he/she is observing, and periodically check in with the role model.

5.5.2.5 Self Study

It is used as a method to provide enough structure — in the form of a specific timeframe with clear milestones. In this tool, the employee is responsible for his/her own development in the determined subject.

5.5.2.6 Training

It is used to develop specific learning objectives together with the employee and to help the employees to develop a post-training contract on how the training will be applied. Those trainings can be take place as classroom training or on the job trainings according to the subject.

5.5.2.7 Calibration meetings

As well as on the job training the company also tracks the performance of its talent through calibration meetings where by senior management discusses the needs and opportunities for their talented employees. Though this formal structure, talent discussions have become a regular part of the leadership agenda. This also allows the company to create greater bench strength for critical roles in our organization and ensure that people development is at the heart of our business.

In such these meetings are essentially mechanisms to ensure that the Human Resource investments and decisions yield the talent needed to deliver great results for the Company. By having leaders proactively assess and develop talent in their organization, build succession plans for key roles, and identify and address capability gaps the company puts into place actions designed to grow its people and the business.

5.5.2.8 Assessment Center Method

Assessment Centers are first started to use in December 2006 for sales organization primarily for determination and development of the employees. With identifying and developing high potential employees, aim of the Company was creating a talent pool for the organization in the long run. In the next section, the detailed information about the role of the Assessment Centers Method in The Company's Talent Management Strategy will be provided.

5.6. Assessment Center Method in Talent Management Strategy

The Company has started to use the Assessment Center method in 2006 primarily for Sales Operation as a part of its Talent Management practice. The first two centers were implemented as a pilot project for selected sales employees of the sales team. After the success of the implementations, the Company is now integrating this

tool to the part of the company's talent management strategy. With this decision, the Company aim to enlarge the implementation to other departments of the organization.

This method is first implemented to selected sales employees as mentioned before. After the first implementation, the HR professionals and the top management of the sales operations carefully reviewed the results of the center and prepared development plans in line with results for each employee. Individual development plans which cover tailor made training and usage of special development tools was initiated to all participants. Then follow-up sections completed with each employee in order to review progress. During this process, the performance appraisals of the employees are also additional but valuable indicator.

5.6.1 The Aim of the Assessment Center

The Company has integrated the Assessment Center method into its Talent Management strategy basically due to determined identify high potential people in its sales operations and invest these employees' development and in the long run create a talent pool for The Company.

In cases where the company wishes to gain more in-depth knowledge of the employee or make a decision to cultivate them for higher management or contribute to their development, the Company uses Assessment Centers in combination with performance appraisals.

The Company management aimed to identify talented people within the company, to measure their performance and skills according to determined competencies, and use these feedbacks in the development of determined people. By determining and developing the talented people within Sales Operation, they believed they can increase the performance of employees and in the long run create a talent pool which will be critical to the future wellbeing of the organization.

The Company is operating in an industry where the competition is fierce and good resources are very scarce. Therefore, trying to attract high potential employees by competitors is common practice within the market which sometimes resulted as a high turnover rates and decrease motivation and performance of the team. Therefore, through choosing to invest in assessment centers, the Company tries to get advantage to increase the motivation of the sales team. By explicitly announcing the process and highlighting the efforts and resources (both monetary and human capital) required, The Company believes that employees will feel that they are an important aspect of the company's future and that the company is investing in them. Therefore as a result they will be more committed and motivated to work and stay with the company in the long-term.

In addition to this, from the employee perspective, through Assessment Center application, The Company try to send a message as it has high standards and that they have been carefully and fairly assessed against them and have invested accordingly.

In summary, by using assessment center method, The Company aims to:

- to assess the competencies of the sales team
- to determine high potential people and their strengths and weaknesses
- to contribute their development
- to prepare development plans parallel to the findings
- to contribute motivation of employees
- to gain competitive advantage
- to create a talent pool with these selected high performing employees for the sales operation in the long run.

The company believes that Assessment Centers are advantageous because it helps the candidates to see the process as fair and objective which is an important advantages for Talent Management Strategy by using a range of selection tools will provide you with quality information when:

- There is a need real in-depth assessment of a candidate’s past performance and future potential.
- There are a range of good candidates from which to select.
- The role has impact and influence.
- The role requires a range of skills and expertise in one or two core areas.
- The role requires working with complex data.
- The fit with culture, team, and values is important.

Although Assessment Center results are not the sole indicator in the determination of the talented people within organization, they still performing a critical and central role. The performance appraisal system is the other tool that the outputs are used combined with assessment center results in the determination of the talented people.

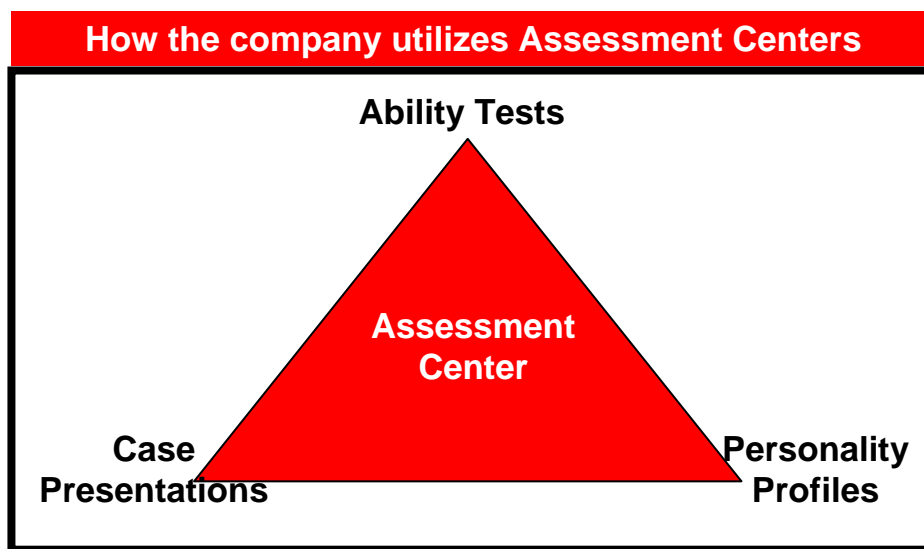


Figure 11: How The Company utilizes assessment centers

Ability Tests

Ability tests are often used in the first stage of the assessment process. They are used to explore the candidate's level of critical reasoning or other ‘intelligence measures’. These measures include verbal analysis (necessary for working with complex written materials) and numerical analysis (crucial for roles with a financial or

commercial element). There are also abstract tests which can be used to assess candidates' capacity for conceptual thinking (necessary for senior level strategic work).

Personality Profiles

Over the last five to ten years, there has been a large increase in the use of personality profiles. Companies have realized the importance of a close fit between an individual's preferred working style and personal values, and the values and culture of the employer and the team.

Case Study Presentation

A case study is a simulation of a real work situation. It presents the candidate with a typical example of a problem and asks them to resolve it. On the basis of the candidate's problem analysis and their presentation of the solution, certain key competencies can be observed such as innovation, strategic thinking, judgment and communication.

5.6.2 The Assesseees of the Assessment Center

As mentioned before, the Assessment Center practice was integrated to The Company's talent management strategy partially. Namely, a pilot project was prepared for Sales Team which includes two phases. After the successful results, the method is now integrating to the overall strategy.

While initiating the tool, The Company's primary focus was its sales operation for two reasons. First, the sales operation is the most critical and important department of the company due to its key revenue generator characteristic. Secondly, because of the high competition its very difficult to find high potential employees, namely external sources are very scarce and turnover rates are very high (High performing employees have been attracted by the competitors) especially for managerial roles like Region Manager, Sales Manager etc.

Within Sales team, not all employees participated in the center due to the high costs of the method which is one of the major disadvantages of the method that was mentioned during the literature. While determining the participants, the grade of the employee and the performance of the employee played key roles (Since past performance is a good indicator for future performance).

5.6.2.1 Grading System of the Company

The Company uses Hay Grading system within the organization. According to the system, grading starts at Level 6 until Level 13 and then continues from H to A. In this range, level 10 and onwards are managerial positions with level H being the General Manager level (Level A is the CEO).

Within the sales organization of 150 employees, the first application was done among Level 9s (20 employees). In other words, these were the candidates who would be promoted to regional managerial roles (Level 10) and were expected to move on to leadership for the sales organization for that region including distributor management. For reference the company divides Turkey into seven regions which are run by Region Managers who report to Traditional Channels Sales Manager who in turn reports to Sales Director (The Sales Director has two additional direct reports, a key account sales manager and a trade marketing sales manager).

After the success of first application, the Company decided to run assessment centers on a broader scale and as a means to identify future talent. Therefore, the second application was run with fifty employees in levels 7 and 8 in order to identify those candidates who had the potential to excel in the sales organization and take-on both local and regional responsibilities in leading the function. Among the candidates who were placed in the assessment center, those who were found to be the best performers were placed in special broadening assignments and their careers were planned accordingly. The idea was to expose these candidates to as many diverse issues as possible and –given that they continued to perform- would eventually be promoted to executive positions.

5.6.2.2 Performance Appraisal System of the Company

The appraisal system of the company is a formal process that takes place once a year. During the appraisal each individual is evaluated on each competency separately by their direct manager along with optional feedback from parties who have a direct relationship with this person (i.e. informal feedback of distributors, co-workers etc. are also sought but are not essential).

Each employee is evaluated on a scale of 1 to 5 (1 being the highest). Once this is done then a calibration meeting is run (lead by the GM and participated by the HR director and Sales director) where every employee in a certain grade is evaluated against each other.

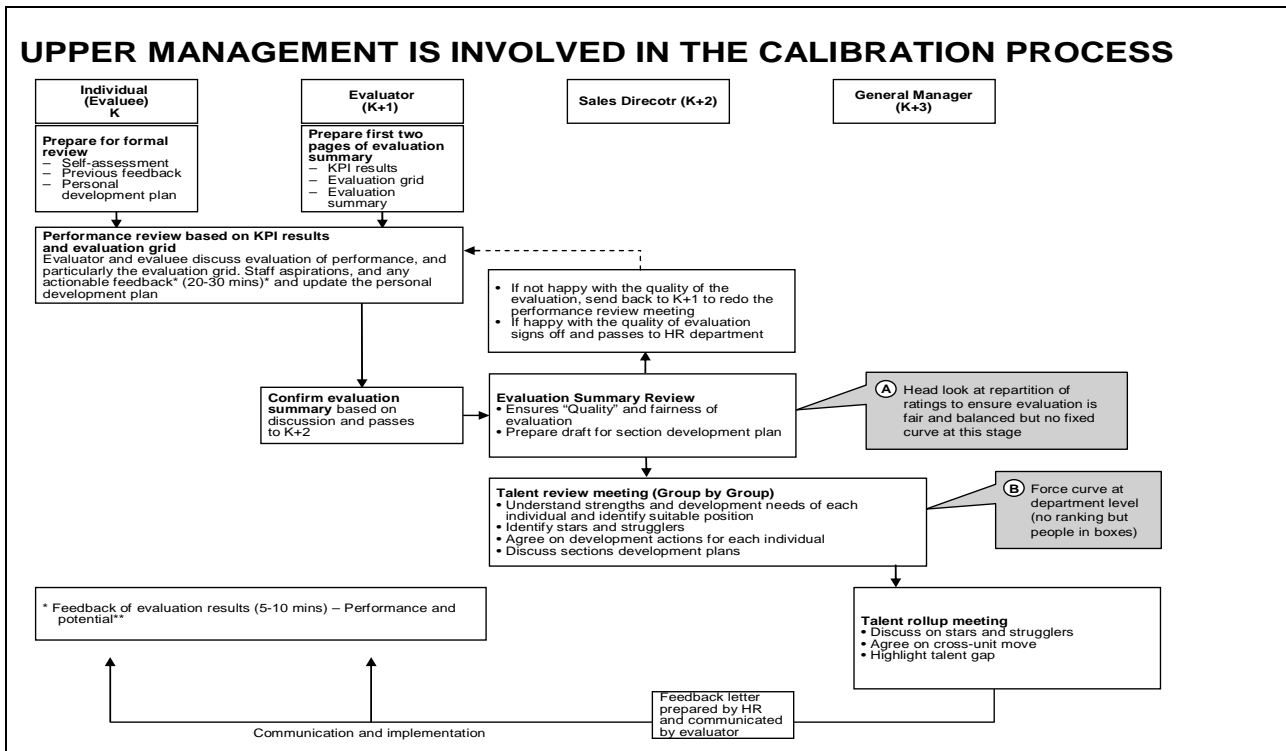


Figure 12: Calibration process

The objective of this meeting is to ensure that there is consistency among the evaluations (to alleviate managerial bias) and fit all employees into a normal

distribution (i.e. 10- 15% of the employees should be rated -1-, 25- 30% rated -2-, 25- 40% rated -3-, and the remaining rated 4 or 5).

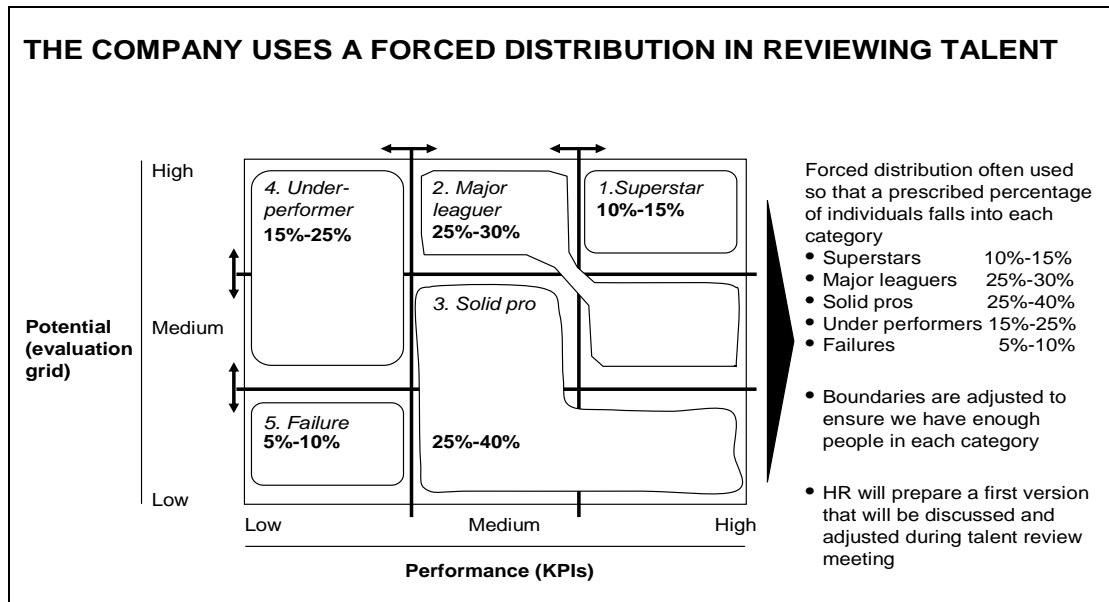


Figure 13: Talent rankings and distribution

Once the calibration meeting is finalized then the grades are announced to the employees. Employees rated 4 or 5 are either consulted to leave the organization, while employees rated 2 are expected to promote once they are ready to undertake next level jobs. Those rated 1 are the exceptional talent and high potential employees. Generally speaking 1's and 2's are treated together in order to build a larger pool given the dynamics of the industry and current turnover rates.

One objective of the assessment center was also to add another dimension to this appraisal system. In other words the Company also wanted to broaden its own process, as outlined above. Therefore all employees in a certain grade were enrolled in the assessment center and their results were followed-up with the official process.

5.7 The Phases of Assessment Center

The company worked with a consultancy company which is a well-known and experienced company about assessment centers and together they applied a 7-steps plan

for the use of assessment center in the identification and development of talented people. The detailed information about the steps was provided in the following section.

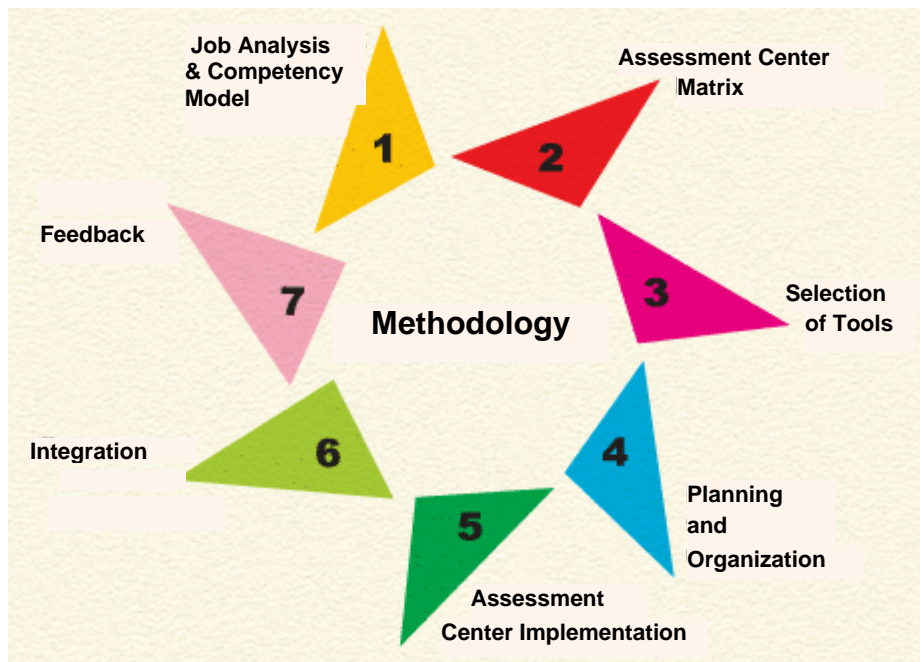


Figure 14: Assessment Center methodology employed by the company

5.7.1 Job Analysis and Competency Model

In the first step of the project the Job Description of the employees who will join to the Assessment Center is analyzed and basic and necessary competencies are determined accordingly by a committee that includes the HR Professionals, Sales Executives and External Consultancy Company.

The Company already has a structured Job Descriptions for each role in Sales organization (Appendix A). Regarding to these specific descriptions, HR professionals and Sales Executives reviewed them and briefed the Consultancy Company.

As a part of its Talent Management strategy, The Company had a detailed competency model (that was explained before) that covers both general competencies (which are valid for all employees) and specific competencies (which are changed according to the function).

Parallel to the literature, they gave significant importance to determination of the competencies in an objective and accurate way. While determining the competencies that would be assessed during the center, talent management strategy of the Company was the key indicator. The two reasons behind this were; first, it was the key milestone for the whole process and all the assessment tools were determined according to these competencies. The second reason, during the evaluation phase, the objective and standard criteria were determined according to these competencies.

In the Job Descriptions, all necessary core competencies are already determined for all rolls. The committee examined the descriptions together and selected 4 competencies:

- *Balances Immediate and Long-Term Priorities*
- *Delivers Results*
- *Drives Innovative Business Improvements, and*
- *Develops and Inspires Others*

as the key competencies that the Assessment Center method was implemented accordingly. These competencies were believed to be the most critical in managerial positions of the sales organization.

Although, in both assessment center implementations, these competencies were used as the key competencies, the content and difficulty of the exercises adjusted according to the Level of the employees.

5.7.2 Assessment Center Matrix

After preparation of competency model, the assessment tools and assessed competencies were determined for each role.

In both first and second implementations, The Company designed the whole process similarly. All elements of the Center like duration, location, types of the exercises etc. were same in both implementations. Only difference came from the complexity and content of the exercises. The difficulty level, complexity and content of the exercises were adjusted / modified according to the grade of employees who participated to the Center.

While preparing the Assessment Center matrix, whole process was divided into two phases as the Pre-Center Work and Assessment Center Work. In Pre-Center work, participants were ensured to complete some materials, questionnaires. The reason was to reach most accurate and objective findings that help to draw the real picture of the employees.

5.7.3 The Selection of Tools

After the determination of type of measurement tools, the exact tools and the content of these tools were prepared in line with the determined competencies. While determining the type of selection tool, the Consultancy Company guided the process due to their past experiences.

The Company tried to develop one main exercise and two additional contributors for each competency. With this approach, they aimed to reach more accurate results. In addition to Assessment Center Exercises, with outputs of Pre-Center Exercises, the participants were tried to assess from wider perspective. In the following table, the comparison of exercises through competencies is showed.

Table 7: Competency Matrix

COMPETENCY MATRIX

Competency	Pre-Center Exercise				Assessment Center Exercise			
	Business Plan Exercise	360 Degree Qust.	Occupational Personality Qust.	180 Degree Functional Assessment Qust.	In-basket	Role-Play	Group Exercise	Competency Base Interview
<i>Balances Immediate and Long-Term Priorities</i>	[**]	[*]	[*]	[*]	[**]			[*]
<i>Delivers Results</i>		[*]	[*]	[*]	[*]	[*]	[*]	[**]
<i>Drives Innovative Business Improvements</i>	[**]	[*]	[*]	[*]	[*]	[**]	[*]	[*]
<i>Develops and Inspires Others</i>		[*]	[*]	[*]		[*]	[**]	

[**]= Competency very likely to be demonstrated

[*]= Competency likely to be demonstrated

5.7.3.1 Pre-Center Work

The Company agreed to support Assessment Center with some pre-center work which should be completed by all participants before the Center. As mentioned before, while initiating this step, the basic aim of the Company was to reach most accurate and objective findings that help to draw the real picture of the employees.

Pre-Center Work involved four separate pieces of work as 360-degree questionnaire (PD360), Occupational Personality Questionnaire, Business Plan Exercise and 180 Degree Functional Assessment Questionnaire.

360-degree questionnaire (PD360)

This was the piece that took the longest to complete as it also involved other people with whom the participants work. The 360-degree questionnaire gathers information about participant’s performance in a number of key areas based on participant’s current job.

In order to get all round picture, it was important for more than one person to complete the questionnaire. As a minimum, the Participant, manager of the participant, two or more colleagues completed the questionnaire:

Occupational Personality Questionnaire

This questionnaire tries to examine participant's preferences and style of behavior at work. In particular, it focuses on participant's relationships with others, his/her approach to tasks or problems and your feelings and emotions at work.

Business Plan Exercise

Before participant arrived at the center he/she will need to complete a Business Plan exercise (Appendix B). Full instructions together with all the information he/she needs to complete the exercise was sent to him/her. The content and difficulty level of this exercise was changed during two implementations. While during the first implementation, the data, the aim and requirements were more complex and challenging, in the second implementation, adjusted exercise was implemented.

180 Degree Functional Assessment Questionnaire

Before the center it was helpful to begin with participant's own and participant's leader's review of his/her strengths and development areas across the functional competencies. It was useful to understand the different behaviors participants have demonstrated which have contributed to their achievements. In order to reach this insight, this work was initiated.

5.7.3.2 Assessment Center Exercises

Assessment Center involved four different exercises as Group Exercise, In-Tray Exercise, Role Play Exercise and Competency – Base Interview.

Group Exercise

Group exercises are exercises that simulate typical meetings or group situations in an organization. In the Center, they are used to assess how participants talk to and interact with others to solve a problem in a group setting.

In-Tray Exercise

An in-tray exercise involves an “action file” containing:

- Emails & Issues
- Memoranda
- Commercial figures
- Items of background information
- And a series of tasks to be performed or described that relate to the information.

This type of exercise looks at how the participants respond to a variety of work related issues and how they set their priorities in within variety of responsibilities.

Role Play Exercises

Role-plays are interactive exercises in which participants were engaged with an assessor/actor playing a particular role. This exercise particularly looks at how participants interact with others in one to one situations from mainly innovation perspective.

Competency – Based Interview

In addition to some very “role-specific” activities, participants also took part in a Competency-Based Interview, which provides the opportunity to discuss participant’s functional sales achievements and how they have applied their leadership skills to them.

5.7.4 Planning and Organization

This step covers the planning and organization of the whole assessment center process as planning the accommodation features, determination of participants and determination and training of the assessors and mainly led by the HR Executives and

the Consultancy Firm. While HR participated to the planning part, Consultancy Company managed all planning and execution part.

- Planning and organization of Accommodation Features

The Accommodation Features like the location, date, program of the Assessment Center were determined by HR Executives (with the Consultancy Company's guidance) and then, necessary arrangements are led by the Consultancy Company.

For the Assessment Center, an outside company location was chosen to provide full concentration of participants and eliminate the biased situations for other employees. The date of the Center was determined according to the annual sales calendar.

- Determination of Participants

Participants were determined by the Company HR and Sales Executives at the beginning of the project (Detailed information about the assessees was provided in the previous sections). In the first round, 20 employees were assessed and the second round 50 employees were assessed. In both two rounds, participants assessed as a group of 10 employees.

- Determination and Training of Assessors

The assessors were chosen from both the Company Executives (HR and/or) and Consultants of the Consultancy Company. For every, a group of 10 assessees, 10 assessors were determined. Every assessee observed by two assessors, Company Executive and one Consultant and every assessor observed two participants.

The consultancy company gave two hours detailed training to all assessors about the schedule of the assessment center, the determined tools, the content of the tools, basic requirements for the usage of tools, and most importantly their role in the Center.

5.7.5 The implementation of Assessment Center

After the identification of participants and determination of Assessment Center exercises, the implementation part took place which is one of the most important parts that played a crucial role in the whole process.

The Assessment Center started with the sending of The Introductory Tool to participants. The Introductory Tool included both the invitation letter to the Center and also the pre-center materials that should be completed before the Center.

The Introductory Tool and Pre-Center Work

As the first step of the Assessment Center, The Introductory Tool was sent to all participants by HR Director of the Company (Appendix C). The Tool covered the invitation letter and the materials about the pre-center work. With this tool, the following issues were clarified:

- The date, location, duration and necessary contact information of the Assessment Center
- The purpose of the Assessment Center
- The information about what participants can expect from the Center
- The information about how the information be used
- The information and materials about the pre-center work (Completing a 360 degree Questionnaire, Completing a Business Plan Exercise etc.) that should be done before the Center.

The Company aimed to provide detailed and necessary information to all participants and prevent the possible misunderstandings and bias about the method. In addition to that with this tool, pre-center materials (360-degree questionnaire (PD360), Occupational Personality Questionnaire, Business Plan Exercise and 180 Degree Functional Assessment Questionnaire) were submitted to the participants.

Before the Assessment Center, all participants had completed the Pre-Center work and submitted to the related parties for evaluation (The detailed information about the content of the Pre-Center work was provided in previous sections).

The Assessment Center

The Assessment Center took place in two days. During this period, all the participants involved in a number of interactive and individual exercises while being observed by trained observers from both the Consultants and The Company Executives (both HR Professionals and Sales Executives).

The Assessment Center was designed to reflect a “day in the life” of the Sales Manager and resolving a conflict with a distributor and core client. Therefore during the design part, the Committee tried to make the exercises as realistic as possible to the related level roles, however the exercises were also designed to be challenging and required that participants go beyond their current role. As part of the “day in the life” participants have taken part in a range of group and individual activities.

Day 1

First day in particular contained intensive, stretching diagnostic exercises (Role Play Exercise, In-tray Exercise and Group Discussion), as well as an interview, which explored participant’s recent sales and leadership achievements and his /her ability to deliver results.

The outcome from that exercises and the interview were used to build up a detailed picture of participant’s areas of strength and his/her development needs in relation to The Company sales and leadership competencies. Namely, the first day exercises were the prima source in identification of strengths and weakness of the participants in line with the overall company competencies.

Day 2

Second day was more focused on skills development. Participants had the opportunity to explore elements of their performance on Day 1 through video review,

explore their personality profile and 360-degree feedback report and discuss how all of this information relates to their work and career.

5.7.6 Integration

At the end of the each day, observers shared all their observations and competency based reports were prepared for each employee in the integration session. During the integration section two assessors of the participants discussed the details of each exercise one by one and reached a consensus about the performance of the participants together.

5.7.7 Feedback

The detailed feedback sessions were conducted with each employee in order to submit the competency based results of the assessment center. In this step, understanding the definition of competencies, the expectations of the management and according to the results the development areas were clarified with each employee.

Before leaving the center, each employee would received detailed feedback on his/her performance at the Assessment Center to help you understand and develop his/her own skills. This was a crucial stage in the Assessment Center process and was vital in helping employees to get the most out of the process. The observers from both The Company and The Consultancy firm delivered the feedback jointly.

After the face to face feedback section, employees received a short written report, prepared by the Consultancy Company within two weeks, summarizing the key points to help him/her to create your own focused personal development action plans. The report initially was sent to employees for review. 3 days later the report was sent to employee's Direct Leader, Senior Sales Leader, and HR Director, to assist them in supporting the development.

A summary of the key, aggregate themes emerging from the center were captured to assist the Company in identifying any group wide strengths or development needs to inform broader development strategies for the sales community.

5.8 Impacts of the Assessment Center

The Assessment Center implementation had direct and indirect affects on both the participants and the overall organization. The results of the implementation were examined from both sides in below.

From the participant's perspective, the affects of the Center can be summarized as;

- The strengths and weaknesses of each employee were determined. From the employee perspective, they have gained a chance to receive feedback about their improvement areas and strengths from a more objective and valid source.
- The results of the Assessment Center were compared to performance appraisals of the employees. According to The Company HR Executives while findings showed significant similarities in the overall appraisals, from individual base, it showed some differences. With the method, individual differences of participants were underlined.
- In the second day of the Center, the improvement areas of the participants review together with the employee. The basic aim of company was contributing the development of the participants.
- Individual Development Plans were prepared and communicated to each employee according to his/her strengths and weaknesses.

From the company's perspective, the affects of the Center can be summarized in as;

- Group wide strengths or development needs were identified to inform broader development strategies for the sales community.
 - In the first round, while the results of the Company analyzed from group wide perspective, there was no a common trend was determined except the “Delivers Results” competency. The average score of this competency is lower than the defined Company sales targets (on average 3.1/5). This result gave an important input for the overall action plan of the sales organization. While, delivering results was the lowest score, “Develops and improves others” competency reached the highest results (on average 2.7/5) that shows the role of team working in the Company.
 - In the second round's findings, there was no common trend in the group results.
- The individual strengths and weaknesses determined. From company perspective, it is very important to assess the individual differences and take actions accordingly in order to increase the performance of overall organization. Through implementing this method, the Company gained a chance to draw the picture of participants and prepare action plans accordingly.
- The high performer employees were determined with the help of the Company's performance appraisal system. The findings of the Assessment Center and the results of the individual performance appraisal, the company identified its higher performer employees and prepared their development plans in line with this input. While some employees were determined as high performers, some were determined as significantly poor performers. At the end of the first round, development plans were also prepared for them, and unfortunately, the ones who did not show any improvement, terminated from the Company. This practice is also valid for the

second round. The performances of poor performers were carefully followed up by HR and the Sales Executives.

- The foundations of the Talent Pool were formed. The company determined the high performers, poor performers and their strengths and weaknesses that formed the basics of the Talent Pool of the Company. HR Executives still working on to shape the pool.
- The company gained an objective assessment tool that could be used in addition to existing processes.
- Difficult decisions that needed the approval of central headquarters (e.g. like termination relationships with certain individuals) were handled with ease.

The results of the assessment center were used to create individual development plans

Employee Review Form				◇ Current	◆ Expected
Employee CV/Biography Information					
Managerial competencies	Rating	Particular strengths	Weaknesses/ development needs		
• Taking command	1 2 3 4 5				
• Stretched targets					
• Creating followership					
• Strategic/conceptual thinker					
Technical/functional competencies	Rating	Particular strengths	Weaknesses/ development needs		
• Understanding external environment	1 2 3 4 5				
• Financial Rigor					
• Presents thoughts clearly and convincingly					
Individual development plan and personal aspirations					
Development needs	Proposed actions	Progress/achievements			

Section	Completed by
• CV/biographical information	• Employee
• Assessment of managerial skills	• Assessment Center and performance appraisal
• Assessment of technical/functional skills	
• Individual development plan and personal aspirations	• Project core team/HR: based on results from multirater assessment and calibration

Figure 15: Employee Review Form

The Development Plans

After the Assessment Center, an internal team was build up to determine the further steps of the process. This team was covered the Direct Managers of the participants, Sales Director, HR Director and the Training Specialist of the Company (Some of them were already joined to the Assessment Center as an observer).

The team analyzed all findings from both individual perspective and as a group and determined the strengths and weakness of each employee in terms of company competencies. According to those results, a tailor made development plans prepared for all employees. While preparing the development plan, the profile of the participants formed the basics of the process (Figure 10). The results of the Assessment Center and

the individual performance appraisals of the participants were evaluated by the team. The integration and analysis of all information guided the preparation of tailor-made individual development plans for all employees. The content of the development plan has changed according to the performance of the participants. For instance, while for high performers more challenging plans were formed to prepare them to further assignments, the poor performers' development plans were formed more focused on improvement of the competencies.

In the development plan of participants, The Company used different tools as:

- *Coaching and Mentoring*: According to the scope and level of development need Coaches or Mentors were assigned to participants. Coaches/ mentors might be the direct report of the employee or another person within the internal or global organization.
- *Trainings*: Both Classroom and on the job trainings were planned and implemented for the development of functional and general competencies.
- *Job Rotation Programs*: Job rotation program was implemented to the selected high potential employees in order to provide different perspective of work. These rotations might be a Regional Rotations or Organizational Rotations.
- *Project Assignments*: The Company supported participants to join different assignments. These assignments might be either directly related with sales organization or indirectly related with sales activities.

The Follow-up of the Development Plan

The development of the employees carefully followed-up by the Direct Managers of the participants and HR Executives. Follow-up interviews were conducted

by the Direct Manager of the participant after six months period and reviewed. In those meetings, three main subjects were overviewed:

- The development areas of the employee
- The actions that was initiated up to date
- The results of the actions from both Managers and Employees perspective.

After those sections, in the formal performance appraisal sections, both HR Executives, Sales Executives and the participants assessed the individual improvements.

As a result; the significant individual performance improvements (in development areas of the participants) as a result of the first round assessment center and implementation of development plans (The findings of performance appraisals showed this improvement). In addition to that, by combining the performance appraisals and assessment center findings, they identified and invested to the high potential employees and their improvement areas. Finally, this implementation contributed to foundation of talent pool of the company.

5.9 General Discussion

Given the initial sections of this paper was focused on understanding the literature surrounding Assessment Centers and their link with talent management, this section will focus on comparing the application done by the company to this literature.

5.9.1 Findings inline with literature

The company was able to apply most of the literature to application and therefore this process can be considered to be in line with theory.

- Methodical Approach

First and the far most, the company has used methodical approach to implementation of assessment center and integrated this method to the overall talent management strategy. While preparing the assessment center, the competency model was taken the basis of the application which is also the key corner stone of the talent management strategy of the company. The Company followed most of the assessment center development phases that was mentioned in the literature. Using structured job descriptions, selection and development of assessment tools in line with the determined competencies, identification of assesses, determination of assessors were in line with the literature.

- Use Assessment Center Method as an additional tool

The company used assessment centers as an additional tool and linked it to existing systems for talent management. The company has already defined talent management strategy before. The reason behind initiating assessment center was primarily identifying and developing talented people within organization. While selecting assessment center method for an additional tool to talent management strategy, the company took into account objective and valid approach of the method. After successful results of the implementation, the Company decided to integrate it to overall structure. In the literature, it is recommended to use assessment center method as a part of the general implementation. Therefore, from this perspective, the company has acted

in the line with the literature. Briefly, the Company initiated this tool for specific reasons; at the end it has integrated this to overall strategy.

- Selection of Assesseees/ Participants

As mentioned in the previous section, The Company used methodological approach while selecting the employees. The literature points out the importance of selecting the assesses and the Company took its two system into the account; the grading system of the company –Hay Grading System-and performance appraisal system.

- Tailor-made implementation

Assessment center process was tailored to the individual skill sets of the assignments. The whole process from planning phase to implementation stage was designed according to the dynamics of the Company. Instead of taking and implementing a prepared tool, the Company has designed its own Assessment Center with the help of the external consultancy company. The reason behind this was getting close the real pictures of the assesseees as much as possible and gets more realistic results while using the realities of the Company in the whole process.

- The Communication with Assesseees/ Participants

The company was trying to behave sensitive about the communication with participants during the whole process. The management of the company both the HR executives and the Sales Managers tried to be open and direct to all participants. The aim of the implementation, the agenda of the implementation is communicated to the participants both written and verbally. Moreover, after the center, the participants have received detailed feedbacks about their performance and the results of those findings (the findings were later turned into action/development plans).

- The use of Consultancy Company

In the literature, use of an external consultancy company is highly recommended due to its potential contribution. In this implementation, one of the well known external consultancy company was used in order to leverage expertise aided in this proper

execution. The Company combined its all structured systems (competency model, job description etc.) to Consultancy Company's expertise in development and implementation of assessment center method (development of assessment tools, planning of assessment center etc.). In addition to that, while giving responsibility to external consultants in the implementation phase (observing, evaluating and giving feedback to assessees), the Company contributed to the objectivity and validity of the process.

- The Use of Findings

The company gives significant importance to use of assessment center findings besides planning and implementation of the method. It not only used the assessment center as a one off process but integrated it into its talent development strategy as evidenced by the second round. May be even more importantly, the findings of the assessment centers were not only used to gauge the developments of individuals but the company aggregated these learning to identify gaps in the overall organization.

Specifically the company evaluated all of the results as a whole to identify:

- Common set of competencies that were lacked by the sales organization (i.e. if a pattern immerged among all the candidates that a certain competency was missing collectively then this was attributed to the whole organization) and took actions towards them.
- The caliber of the local sales organization (as sampled by those who undertook the assessment center) were compared to benchmark company results (utilizing both the Hay system and the consulting company) to launch a new program whereby all efforts to strengthen the sales force at the managerial level would take place

5.9.2 Areas for Improvement

One out come of the assessment center process was that certain employees were moved to non-managerial posts or even their work contracts were terminated.

- The Biases of the Assesseees/Participants

Although, the company trying to be sensitive to communicate the aim, scope and results of the Assessment Center, the process created some biases in the head of participants. Even though assessment centers were not the sole criteria it was perceived as if they were. This caused some unrest among the organization. The company was not able to clearly state to these employees from the beginning as to how the whole evaluation process would work (including all aspects such as the evaluation cycle, assessment centers, development planes etc.). Given that assessment centers were the only new element in the process employees attributed “bad performance” to “assessment center performance”. Although there is not any significant research has conducted in order to understand the employees’ perception, in the interviews with HR Executives, they mentioned this common concern. In the further implementations, more importance should be shown to this subject.

- Lack of Pre-testing

A second area for improvement concerns pre-testing. The literature suggests that all assessment center application be subject to pre-testing to ensure that the process measures what it is supposed to measure and to justify the suitability of the center to the actual task at hand. The company did not perform this stage which could have improved the process. The main reason for skipping this step was the expertise of the consulting company. Nevertheless, given that each case is unique (behind culture, work environment, job characteristics) it would still have been beneficial.

- The Limited Usage of Assessment Tools

Another area which should have been taken into consideration was the fact that literature suggests that each competency be tested with multiple methods. In this example given the scope of the processes and the short time frame that it was implemented in, this was not done for all competencies. Therefore some competencies were emphasized more then others (or were evaluated better then others). For the future the company should narrow down the competencies it wishes to evaluate in the

assessment center and deep-dive into these and use other methods to evaluate the remaining competencies (e.g. peer/manager evaluations).

- The Aim of Assessment Center

The company communicated the aim of this implementation as understanding and developing the skills of the participants. When the whole process was analyzed, it has seen that this implementation more focused on the understanding/identification of strengths and weaknesses and according to those findings, taking action plans. Briefly, the activities for development of participants in the Center were very limited. In the literature, Assessment Centers are differentiated in content and complexity for the identification and development of the participants. Therefore, for future, different assessment centers should be implemented for identification and development of the employees.

- Lack of Evaluation of Functional Competencies

The company used the assessment center to gauge only general competencies but did not evaluate functional competencies. The later were evaluated based on the company's evaluation cycle. However, having gone through this process the company could have identified one or two very critical functional competencies and evaluated them as well.

- Lack of Integration to Overall Recruitment Process

Finally, in literature Assessment Center is one of the most important tools in the recruitment process. Therefore, the Company should integrate this tool for the recruitment process as a part of its talent strategy. This action should help to analyze to understand why certain traits were not looked for in candidates who were recruited into sales and which process should be introduced to ensure that they would be present in future recruits (i.e. certain questions and case examples were incorporated into sales interview at various stages to gauge for these missing competencies.)

6. CONCLUSION

The challenging and continuously developing environment of new global business world enforces companies to take actions to not only survive with its operations but to also continue its competitive advantages. In this fierce environment, the dynamics of the business also has been changing. With technological and infrastructural improvements, companies reached to boundaryless business environments.

This environment enforces companies to change their mindset and have to take a global view and compete for scarce resources everywhere. In addition to this competitive and fierce environment, demographic changes of internal and external customers create a significant challenge for organizations. Companies have to adapt to these changes faster than ever, organizations and the people who lead them need to be of the best caliber.

Thus, in this challenging and competitive environment, in order to be successful and gain competitive advantage over competitors, organizations should focus on the human capital. The raising importance of human capital, increase the importance of successful talent management for the companies. The leading companies design their own talent management strategy and gives significant importance to its implementation.

In this study, one of the leading multinational FMCG Companies that initiates and integrates the Assessment Center method in its Talent Management strategy in order to identify and develop the talented people within the organization is examined. Before the analysis, detailed literature survey was accomplished about the concepts of talent management, assessment centers and their relationship.

In the literature, the importance of identification, development and retention of talented people is discussed in detail. In addition to that, the tools that are used to identify, develop and retain the talented people also examined. Then, the concepts about the Assessment Center method and phases of design of Assessment Center method are

discussed. In the last section of the literature, the relationship between the Assessment Center and Talent Management is reviewed.

According to the literature, the implementation of the Company is examined. All phases of the implementation were explained and then, the implementation is assessed in line with the literature. According to this evaluation, the implementation of the assessment center by the company was a successful one as utilized the theoretical framework and also benefited the company commercially. By integrating Assessment Center method into its talent strategy, the Company try to draw the overall picture of the sales team, identify individual strengths and weakness of the employees, determine talented people within the organization and implement development plans for the employee.

The Company reached most of its aims with structured approach and combining the method with the its other talent management which results in improvements of the employees.

APPENDIX A : JOB DESCRIPTION

A) Job Identification									
Job Title:									
Department Name:		Business Area: i.e. EMED, Turkey Region etc.							
Role: (put an 'x' in appropriate box)	<table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 20px; text-align: center;">1) Administrative</td> <td style="width: 20px; text-align: center;"><input type="checkbox"/></td> </tr> <tr> <td style="text-align: center;">2) Individual Contributor</td> <td style="text-align: center;"><input type="checkbox"/></td> </tr> <tr> <td style="text-align: center;">3) Manager</td> <td style="text-align: center;"><input type="checkbox"/></td> </tr> </table>	1) Administrative	<input type="checkbox"/>	2) Individual Contributor	<input type="checkbox"/>	3) Manager	<input type="checkbox"/>	Job Location:	
1) Administrative	<input type="checkbox"/>								
2) Individual Contributor	<input type="checkbox"/>								
3) Manager	<input type="checkbox"/>								
# of Direct Reports:		Job Titles of Direct Reports:							
Job Grade:		Reports to (position): Direct Functional (dotted line), if applicable	Direct: Functional:						

B) Job Responsibilities	
Job Objective: Describe the purpose of this position in 2-3 sentences (why this position exists).	
Principal Responsibilities: Clearly define the primary duties/responsibilities of this position in bullet points. Please list these duties in order of importance and include an estimated percentage of time spent or required for each activity.	
<ul style="list-style-type: none"> • 	<u>% of Time</u>
Success Criteria: Briefly describe the criteria that is measured for the success of this position.	
Job Scope / Impact: Identify quantitative factors for the job, such as volume, annual budget, customer contacts (i.e., # of bottlers, customers, etc.), and other major indicators of the scope and complexity of the job (i.e. number of countries covered). Please also include information pertaining to the impact of responsibilities (i.e. whether your responsibilities have impact on project basis or departmental/division/company wide etc.).	
Key Contacts (internal/external): Indicate the nature and level of your contacts within and outside the company and the nature and purpose of the interaction.	
<ul style="list-style-type: none"> • 	<u>Nature and Purpose of Interaction</u>

C) Job Requirements / Qualifications			
Education: Please put an "M" for minimum requirement and "P" for preferred requirement to better fulfil the position.	Phd or similar Master's Degree Bachelor's Degree		Associate Degree Secondary School Other types of education
Include subjects/major for education (if applicable):			
Experience:	Minimum: Preferred:		
Cultural Diversity: Please describe any language, ethnic or cultural differences faced in this job.			

Analysis: Describe the types of problems that must be solved to successfully perform the job. Is the process well defined, or do you develop new approaches to solve these problems?
Judgment and Decision-Making: Describe the nature and impact of decisions required in this job. Distinguish between recommendations you make to someone else and decisions where you have final authority. Indicate your involvement (if any) with Annual Business Plan and OBP development and execution.
Knowledge/Skills/Abilities: Select critical skills/competencies
Work Dependency: Describe the nature and purpose of the work input on which the job holder is dependent in order to work effectively and the work output that goes to another job holder to enable them to do their job.
Language Requirements: Language(s) required to perform the duties of this job.
Working Conditions: Describe the risk of exposure to hazards in performing your job, and the types of hazards you face.
Travel Requirements: Indicate the annual percent of time that your job requires overnight travel or day trips. Please include the nature and geographic scope of your travel requirements.
Additional Information: Please provide any additional information that you did not include in any of the above sections that would aid in ensuring that this job description represents an accurate and complete picture of the job.

Name

Signature

Date

Employee

Manager

The above is intended to describe the general content for and requirements of this job. It is not intended as an exhaustive statement of requirements, duties and responsibilities.

APPENDIX B: BUSINESS PLAN EXERCISE

– Written pre center work and presentation to GM at the Center-

Participant Brief

Introduction to the Simulation Exercises

On the first day of your assessment center, you will be given the opportunity to exercise “a day in the life of a Manager”. The day involves undertaking a range simulation exercises designed to provide observers with the opportunity to observe your behaviors when dealing with situations which would be typical activities in the role of a Manager, one of which is preparing business plans with accompanying presentations. Prior to the Center, you need to complete a high level business plan and send it back to us via email to allow the company observes to review your response prior to the Center. You also need to prepare a short presentation (15 min) in Powerpoint which you will need to deliver to an observer playing the role of your General Manager at the Center itself. There is no need to send this through in advance, but please bring the presentation on a memory stick, along with your laptop to the Center itself. The person playing the role of your General Manager will be keen to take the opportunity to explore the rationale behind your response at the presentation.

In this exercise and those at the Center itself, you should use your own name and you are asked to “be yourself” rather than pretend to be someone else. Please do not invent additional fictional information beyond what is in the brief. However, you can undertake the activities using your knowledge of your own role and the Company. The content of this briefing pack provides specific information, some of it based on actual The Company information and some of it invented for the simulation exercise.

The Scenario

For the purposes of this Center, you are asked to take a role within The Company “Persa Division”. “Persa” is a fictional geographic area, equivalent to a group of countries, such as Latin America within the Company. You will play the role of a Sales Manager for a “Region”, which is broadly equivalent to a country, and you report to the General

Manager. Your Country will be different from those assigned to other colleagues attending simulation. The (fictitious) currency is Persan Dollars, denoted as p\$.

Please note that for the purposes of this pre-center exercise the current date is 5th January 200x.

Briefing Pack

In this briefing pack are copies of e-mails, memos and other documents relevant to the pre work exercise. Everything you require to complete this exercise is contained more information at the Center itself which will help you complete the other Center exercises.

PLEASE BRING THIS BRIEFING PACK ALONG TO THE CENTER WITH YOU – YOU WILL NEED TO REFER TO THE INFORMATION CONTAINED WITHIN TO COMPLETE THE ACTIVITIES AT THE CENTER ITSELF.

Completing the pre work written exercise

We suggest you set aside at least three hours to complete this pre-work and try to do this in a quiet setting free from interruptions. Please complete your response electronically using the attached proforma and email it to xxxx@yyyyy by 16th November 200x.

Please also bring your presentation on a memory stick to the Center itself and be prepared to be questioned on your response for up to 15 minutes. Your written response and subsequent presentation will be evaluated according to how well you tie your recommendations back to the strategic context, the extent to which you demonstrate lateral thinking and also your technical competence in reaching your conclusions. Please do not collaborate on this exercise – we are interested in seeing your own, unique work and the Center itself will give you another opportunity to display your proficiency in these areas.

[Your Name]

From: Katie [your Personal Assistant]

Sent: 5th January 200x

To: [your name]

Subject: Welcome Back!

Dear [your name],

Hope you are well,

As requested, to help you in your task of creating a top level business plan for the next 2 years, I have printed off all the relevant emails you received and also included relevant clippings and articles. Hope this is useful.

Regards,

Katie

Personal Assistant to [your name]

[Your Name]

From: Jo S

Sent: 1st January 200x

To: [your name]

Subject: Strategic Business Plan

As discussed at last week's management meeting, I am looking forward to receiving your high level business plan covering the period from now to 200x+5 for our region. I would like to you to focus on the following brands only for the moment:

- Brand X
- Brand V
- Brand Y
- Brand Z

I realize that at this stage it will be quite high level, but I will still be looking for concrete ideas about how we can increase sales in order to gain share.

The key areas for you to focus upon should be:

- Strategy (with supporting rationale)
- Execution (what you will do and how you will implement it)
- Benefit (what are the anticipated fiscal benefits)

In drawing up your business plan, please do take into account the Strategic Corridors that we identified last month as being our routes to success within our Region:

1. Defending our core brands' position in Enjoyable Daily Refreshment.
2. Ensuring a balanced portfolio and investing in new areas. Our aim is to build a differentiated portfolio to take more than fair share of profit and enable needstates such as "performance".
3. Providing people with foods that enable them to bring health and balance to their everyday lives.
4. Enhancing our corporate environmental credentials by seeking to reduce our carbon footprint along with other measures.

I would also like you to see the business plan as a chance to rally and motivate the organization, get them committed to your plan and also to get them thinking for themselves about how it can be implemented. I look forward to hearing your ideas about how it will achieve this.

With the election of the new President of the Country last month, I think we can really tap into the “feel-good” bounce that the population is currently experiencing.

To allow me to review your response quickly, I have prepared a template for you to complete: please include all your recommendations on this template only. If there is any information that is missing, that you would find useful to make your decision, please note this in response.

In addition, I would like to invite you to present your ideas to me for 15 minutes, so that not only can I question you on your proposal, but so that I can see how you might position this within the business and get genuine buy-in and commitment to your proposals.

I will ask Katie to book us a mutually convenient time to meet up so that I can question you and fully understand the rationale for your recommendations.

Jo S
General Manager.

APPENDIX C: THE INTRODUCTORY TOOL FOR THE ASSESSMENT CENTER

Dear Participant

Next Generation Sales Leader Assessment Center – Pilot

28/29 November 200x

İstanbul, Turkey

I am pleased to confirm you have been attended Next Generation Sales Leader Assessment Center run in partnership with X, a firm of people performance consultants.

The Center, which is aimed at high performing Sales professionals across the Company, supports the continuing personal and professional career development of these Sales Leaders.

Purpose of the Assessment Center

This Assessment Center is aim to enhance and further develop our sales capabilities within the Company sales community.

Based on the value that this initiative has delivered to both participants and the Company we are pleased to announce the launch of an Assessment Center aimed specifically at the next level of Sales Leaders.

The program will seek to:

- Provide an objective and robust assessment of leadership potential against differentiating and relevant competencies
- Simulate the real challenges of Next Generation Sales Leader roles
- Provide relevant and meaningful individual feedback on key strengths and critical development needs
- Provide organizational data to support group development
- Act as a catalyst for integrated workplace development to help realize individual potential

What can I expect?

The Center will give you an opportunity to demonstrate your skills by placing you in realistic and challenging situations typically faced by Sales Leaders.

The Center is designed to provide you with an opportunity to develop, reflect and understand your skills and approaches to work in more detail. You will be provided with tools to help you in your ongoing development and career progression.

How will the information be used?

The outcome from the Center will be primarily for you to gain constructive feedback regarding your strengths and consideration of what you may need to do to achieve your career aspirations.

Your personal results from the Center will be shared with you, your direct leader, your Senior Sales Leader, your HRD and your Group Sales Director. They will be shared, first, with you, so that you have time to reflect on them and then will be sent a few days later to your leader and the others listed above.

Assessment Center Details

Starts: 17:00 Tuesday 27th November 200x

Ends: 18:00 Thursday 29th November 200x

Development Center Venue:

The Hyatt Regency Hotel

Taşkışla Street Taksim

İstanbul

TURKEY 34437

Tel: 00 90 212 368 12 34

www.istanbul.regency.hyatt.com

What you need to do now

Start your pre-center work straight away, which includes:

- Joining a pre-center telephone call between you, your leader and the Center consultant
- Completing a 360 degree Questionnaire
- Completing the Occupational Personality Questionnaire
- Completing a Business Plan Exercise
- Completing a 180-degree Questionnaire

Pre-work for this center needs to be completed by Friday 16 November 200x

Finally

We look forward to meeting you at the Assessment Center and hope it will be both enjoyable and illuminating for you.

HR Director

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