

Talent Management: Key Area to be Focused to Target Success

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Abstract

Talent management puts forward the process through which employers of all kinds anticipate their human capital needs and make efforts to meeting them. Along with the understanding of the need to hire, develop, and retain talented people, organizations are aware that they must manage talent as a critical resource to achieve the best possible results. Getting the right person with the right skills into the right job, constitutes a common definition of talent management, that is the basic people management challenge in organizations. Talent Management is beneficial to both the organization and the employees. A successful talent management process plans for organizational transactions. Organizations know that they must have the best talent in order to succeed in the hyper- competitive and increasingly complex global economy. Along with the understanding of the need to hire, develop, and retain talented people, organizations are aware that they must manage talent as a critical resource to achieve the best possible results. To ensure that performance is discussed, recognized, rewarded, and understood appropriately, many organizations are focusing renewed efforts on performance management systems. Talent management is fast becoming a critical strategic objective for growing organizations. The importance of hiring competent talent is evident in any direction. Talent is king – now and in the future. It is the last source of competitive advantage.

Keywords: Talent, Talent management, Retaining talent, Attracting talent, Performance, Competitive advantage.

Objectives of the Study

- ❖ To understand the concept of Talent Management.
- ❖ To get aware about the varied elements and challenges faced in talent management.

Introduction

Talent management refers to the anticipation of required human capital for an organization and the planning to meet those needs. Talent management is the use of an integrated set of activities to ensure that the organization attracts, retains, motivates and develops the talented people it needs now and in the future. The aim is to secure the flow of talent, bearing in mind that talent is a major corporate resource. A wrong fit will result in further hiring, re-training and other wasteful activities.

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Few, if any, organizations today have an adequate supply of talent. Gaps exist at the top of the organization, in the first- to mid- level leadership ranks, and at the front lines. Talent is an increasingly scarce resource, so it must be managed to the fullest effect.

Meaning and Definition

Talent management implies recognizing a person's inherent skills, traits, personality and offering him a matching job. Every person has a unique talent that suits a particular job profile and any other position will cause discomfort. It is the job of the Management, particularly the HR Department, to place candidates with prudence and caution. A wrong fit will result in further hiring, re-training and other wasteful activities.

- *Talent* consists of those individuals who can make a difference to organisational performance either through their immediate contribution or, in the longer-term, by demonstrating the highest levels of potential.
- *Talent management* is the systematic attraction, identification, development, engagement, retention and deployment of those individuals who are of particular value to an organisation, either in view of their 'high potential' for the future or because they are fulfilling business/operation-critical roles.



(Source: www.recruitmentbuzz.co.uk)

Talent Management is beneficial to both the organization and the employees. The organization benefits from: Increased productivity and capability; a better linkage between individuals' efforts and business goals; commitment of valued employees; reduced turnover; increased bench strength and a better fit between people's jobs and skills. Employees benefit from: Higher motivation and commitment; career development; increased knowledge about and contribution to company goals; sustained motivation and job satisfaction.

In these days of highly competitive world, where change is the only constant factor, it is important for an organization to develop the most important resource of all - the Human Resource. In this globalize world, it is only the Human Resource that can provide an organization the competitive edge because under the new trade agreements, technology can be easily transferred from one country to another and there is no dearth for sources of cheap finance. But it is the talented workforce that is very hard to find. The biggest problem is how to retain the present workforce and stop them from quitting.

Talent management is the process by which an organisation identifies, manages and develops its people now and for the future. It is concerned with:

- ✓ developing a strategy to determine what the organisation needs to meet the current and future demands of the business plan
- ✓ establishing processes to measure competence – required and available
- ✓ creating a range of developmental tools and processes to provide tailored approaches depending on the individual needs of employees
- ✓ identifying ways to obtain and retain those who are critical to success
- ✓ establishing suitable approaches to deal with those who no longer fit organisation requirements
- ✓ Measuring the impact these strategies have so that policy can be continually updated and refined to deliver high performance, now and in years to come.

Talent management has a bias towards focusing on individual needs to bring out the potential of each and recognises the necessity of retaining key personnel in a competitive labourmarket. The mind set of talent management is based on the assumption that there is potential in each and every one, and any approach should be to try to release that. In addition, there are certain key competences an organisation requires for sustainable competitive advantage and the aim is to identify, retain and nurture them.

Reasons for Importance of Talent Management

Some of the reasons for the importance of talent management are:

- ✓ *Globalization:* Now for any jobseeker the whole world is the potential place to find employment. One can know the opportunities available in any part of the world easily and the number of talent seekers has also increased.
- ✓ *Increased Competition:* Increased competition in the market place has necessitated the need for consistently good performance on the side of organizations. These have made the companies to put in all efforts to hire and retain the best talent in the respective field of operation.
- ✓ *Increasing Knowledge:* The knowledge era has necessitated the retaining of those talents which have the ability to assimilate new technologies and knowledge, which are growing at a pace never seen before.

How is Talent Management important for an Organization:

- *Cost cutting:* One experienced & skilled employee can replace instead of two or more employees. Organization can save hundreds of thousands of dollars.
- *Maximum Output:* Organization can make maximum output in minimum resources.
- *Time Saving technique:* It is a time saving technique. Because for every job a skilled person can place. It's helpful to complete job in minimum time
- *Perfection increase:* Due to skilled employee Perfection in work is increase. There is low probability of mistakes.

How Talent Management important for an Employee:

- *Recruitment:* It's ensuring that right people are attracted to the organization, due to providing exposure for their skills.
- *Retention:* Developing and implementing practices that reward and support employees.
- *Employee development:* Ensuring continuous informal and formal learning and development.
- *Leadership and "high potential employee" development:* Specific development programs for existing and future leaders.
- *Performance management:* Specific processes that nurture and support performance, including feedback/measurement.

- *Workforce planning*: Planning for business and general changes, including the older workforce and current/future skills shortages.



Source: www.aks-blog.com

Elements of Talent Management:

Talent management starts with the business strategy and what it signifies in terms of the talented people required by the organization. Ultimately, its aim is to develop and maintain a talent pool consisting of a skilled, engaged and committed workforce. Its elements are described below:

- *The resourcing strategy*: The business plan provides the basis for human resource planning, which defines human capital requirements and leads to attraction and retention policies and programmes for internal resourcing (identifying talent within the organization and developing and promoting it).
- *Attraction and retention policies and programmes*: These policies and programs describe the approach to ensure that the organization both gets and keeps the talent it needs. Attraction policies lead to programmes for external resourcing (recruitment and selection of people from outside the organization). Retention policies are designed to ensure that people remain as committed members of the organization. The outcome of these policies is a talent flow that creates and maintains the talent pool.
- *Talent audit*: A talent audit identifies those with potential and provides the basis for career planning and development, ensuring that talented people have the sequence of experience

supplemented by coaching and learning programmes that will fit them to carry out more demanding roles in the future. Talent audits can also be used to indicate the possible dangers of talented people leaving (risk analysis) and what action may need to be taken to retain them.

- *Role development:* Talent management is concerned with the roles people carry out. This involves role development- ensuring that roles provide the responsibility, challenge an autonomy required to create role engagement and motivation. It also involves taking steps to ensure that people have the opportunity and are given the encouragement to learn and develop in their roles. Talent management policies also focus on role flexibility- giving people the chance to develop their roles by making better and extended use of their talents.
- *Talent relationship management:* Talent relationship management is the process of building effective relationships with people in their roles. It is concerned generally with creating a great place to work but giving them a voice and providing opportunities for growth. The aim is to achieve talent engagement ensuring that people are committed to their work and the organization. As Sears (2003) points out, “It is better to build an existing relationship rather than try to create a new one when someone leaves.”
- *Performance management:* Performance management processes provide a means of building relationships with people, identifying talent and potential, planning, learning and development activities and making the most of the talent possessed by the organization. Line managers can be asked to carry out separate ‘risk analysis’ for any key staff to assess the likely hood of their leaving. Properly carried out performance management is a means of increasing the engagement and motivation of people by providing positive feedback and recognition. This is part of a total reward system.
- *Total reward:* Total reward strategies provide for both financial and non-financial rewards, can contribute to the engagement and commitment of talented people by demonstrating that they are devalued for their contribution and by operating fairly and consistently.
- *Career management:* Career management consists of the processes of career planning and management succession. Career planning shapes the progression of individuals within an organization in accordance with assessments of organization needs, defined employee success profiles and the performance, potential and preferences of individual members of the enterprises. Management succession planning takes place to ensure that, as far as possible, the organization has the managers it requires to meet future business needs.

- *Creating Best Place to Work:* Ensuring that the organization is perceived as being ‘a great place to work’ means that it becomes an ‘employer of choice’ i.e. one for whom people want to work. There is desire to join the organization and once that is fulfilled, a desire to stay. Employees are committed to the organization and engaged in the work they do. To acquire a national, even a local reputation as a good employer, it takes time. But it is worth the effort. Creating a great place to work starts with developing the image of the organization so that it is recognized as one that achieves results, delivers quality products and services, behaves ethically and provides good conditions of employment. Organizations with a clear vision and a set of integrate and enacted values are likely to project themselves as being well worth working for.

The Challenges of Talent Management

The challenge of talent management has two faces. First is how to find new people and second is how to retain the present workforce. Each of the challenges has to be tackled in the most efficient way possible so that the organization can achieve its objectives.

The First Challenge - Where to find new talent?

All the organizations are finding loads of business opportunities and consequently, their revenues are growing at a rapid pace. The increasing business opportunities has necessitated that these organizations go in for massive recruitment. But, the question is where to find the best talent which is able to fit the job description and also adjust to the organization’s values and norms. If we scan the environment, we find there is a shortage of skilled workforce that can be employed.

Some of the possible reasons that have led to the shortage are: -

- *Demographic Constraints:* This is a common problem faced by many of the developed countries, where a large chunk of its population is nearing the age of retirement or is over 50 years. USA, Germany and Japan are facing the same problem. All these countries will see a decline in their workforce and talent. In the coming years, they will see a great shortage in their skilled professionals.
- *Existing Educational System:* The graduates and the postgraduates that are being churned out of the universities are found to be ill-equipped to handle the challenges of the workplace. They are mostly equipped with only the theoretical aspects of the issues and lack the application part. The educational system is faulty and does not take industry needs into

consideration, resulting in a mismatch between industry requirements and educational preparation.

- *Cost Factor:* Recruiting new employees is becoming tougher and tougher in the developing countries, where the HR department has to sort out thousands of applications for a handful of jobs. Finding right person for the right job becomes a very difficult process. It also involves very high cost to conduct the recruitment and selection process for such a large population of applicants.
- *Attracting the Best Talent:* This is another challenge. As was the case in the past, the best available talent is not just motivated by the name and fame of the organization. Not anymore. They have a new set of motivators like - challenging work, conducive work environment and freedom from bureaucratic structure.

The Second Challenge - How to retain the existing employees?

Gone are the days when a person would join an organization in his mid-20s and would work till his retirement in the late-50s. Today the young professionals hop jobs, especially during the first 4-5 years of their work life. It is a fact that it's the people that add value to organizations. It is also a fact that humans are a restless species who, unlike the immovable Banyan Tree, cannot stay rooted in one place. People need to move on for one reason or another, and the organization stands to lose.

Some of the reasons behind the massive attrition rates: -

- ✓ Gap between organizational values and goals and the personal values and goals is one of the major reasons of the attrition rates. If they go parallel, there is no way both would be satisfied and inevitably, the organization would lose out on a talented employee.
- ✓ Working environment is another major factor. Employees in the knowledge era demand creative and a democratic work environment. Failure on the part of the management to provide such an environment will result in a talented employee leaving the organization.
- ✓ The competitive world has made sure that there is high work pressure on the employees of any organization. This has led to psychological problems like stress, and in extreme situations, total burnouts. It also leads to other health related problems.
- ✓ Movement for higher salary is also common among the younger professionals. There is no shortage for organizations who are looking for talented employees and who are ready to shell out a hefty salary for a talented person. Other lures like better job opportunities, higher posts and overseas assignments are also major factors in the attrition rates.

- ✓ Not taking proper care during the recruitment and selection process and not taking proper care to fit the right person to the right job also breeds dissatisfaction among the employees.
- ✓ Bad or opaque policies from management on issues of succession planning and promotion, appointments for senior positions also is a major factor which makes the organization lose out on the talented employees.
- ✓ The professionals have different aspirations at different times of their career. During the initial years, they have good salary and foreign assignments. Next on the list is working on cutting edge technology. More seasoned professionals look for learning opportunities. So employees tend to move to those organizations which provide them with means to fulfil their aspirations.

Retaining the present employees is of the foremost importance to the organizations because; the company would have already incurred heavy costs in the form of training and development. Now if the organization has to look for a replacement for the employee who has left, it involves a lot of costs like - hiring costs, training costs and the induction costs.

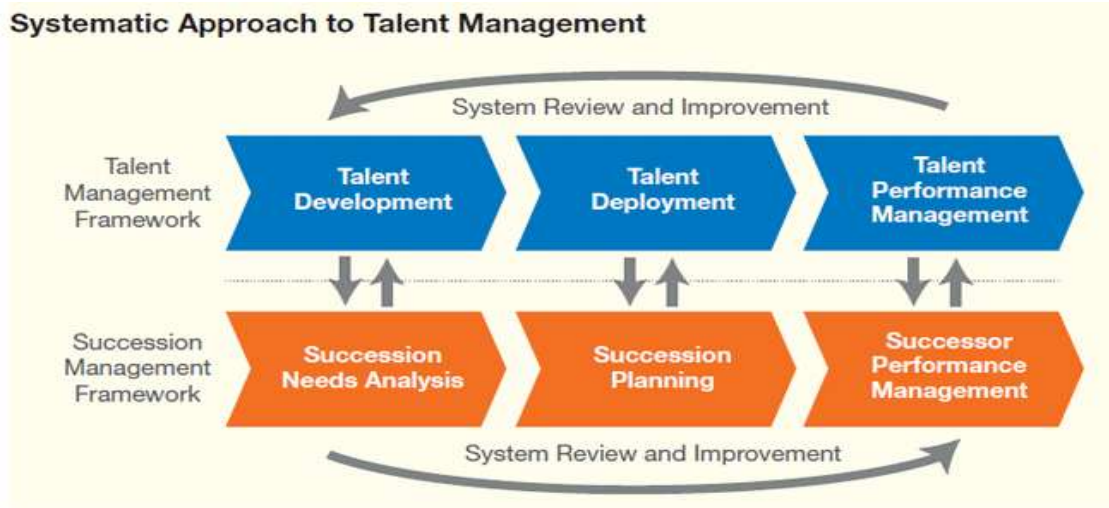
Also it takes some time for the new employee to adjust to the new work environment. During this time the productivity of the employee will be low. The HR department will have to fit the new employee into a proper role in the organization. Apart from causing the company a monetary loss and breaks in their day-to-day operations, attrition contributes to knowledge transfer, which is a great loss and adversely affects business.

Strategic Talent Management

Strategic Talent Management is a process that ensures that your business has the right people in the right jobs at the right time to achieve your expected results. This discipline helps organizations understand their current state, forecast talent gaps, and take the necessary steps to close those gaps.

Benefits of Effective Strategic Talent Management

- ✓ Align human capital needs with business strategy
- ✓ Clarify current and future roles and responsibilities
- ✓ Focus training, development and recruitment efforts
- ✓ Ensure knowledge transfer across multigenerational workforce
- ✓ Maximize the contribution of every employee
- ✓ Minimize disruption associated with sudden departures



Source: www.kepcorp.com

How to Manage Talent?

It is now proved beyond doubt that, in the era of technology and knowledge, talent is in the driving seat. One who possesses it dictates. Not he who pays for it. It is the demand of the time that business leaders elevate management of talent to a burning corporate priority. It is not a walk in the park for the talent market. Quality people are no longer available in plenty, easily replaceable and relatively inexpensive.

These are some of the measures that should be taken into account to hire and retain talent in the organization, to be efficient and competitive in this highly competitive world: -

- *Hire the Right People:* Proper care must be taken while hiring the people itself. It would be beneficial for an organization to recruit young people and nurture them, than to substitute by hiring from other organizations..
- *Keep the Promises:* Good talent cannot be motivated by fake platitudes, half-truths and broken promises. Unfulfilled expectations can breed dissatisfaction among the employees and make them either leave the organization or work below their productive level. Promises made during the hiring stage must be kept to build loyalty among the employees, so that they are satisfied and work to their fullest capability.
- *Good Working Environment:* It has to be accepted by the organizations that highly talented persons make their own rules. They have to be provided with a democratic and a stimulating work environment. The organizational rules must be flexible enough to provide them with freedom to carry out their part of task to their liking, as long as the task is achieved. Opportunities should also be provided to the employees to achieve their personal goals.

- *Recognition of Merit:* It is highly motivating for any person if his talent is recognized and is suitably rewarded. One way is providing them with salary commensurate with their performance. Promotions and incentives based on performance are another way of doing it. Another way is by providing them with challenging projects. This will achieve two objectives - it makes employee feel that he is considered important (a highly motivating factor) and gets the work done in an efficient manner and brings out the best in the employee.
- *Providing Learning Opportunities:* Employees must be provided with continuous learning opportunities on and off work field through management development programs and distance learning programs. This will also benefit the organization in the form of highly talented workforce.
- *Shielding from High Work Pressure:* If an organization has to make the most of the available talent, they should be provided with adequate time to relax, so that they can did-stress themselves. It is very important to provide them with holidays and all-expenses-paid trips, so that they can come back refreshed to work and with increased energy. They must also be encouraged to pursue their interests which are also a good way of reducing work environment stress. Recreation clubs, entertain programs, fun activities with in the work area will also reduce the work life stress of the employees and develop camaraderie among the workers and result in a good working environment.

Talent Management should be about delivering business success through understanding what we actually mean by talent, and how it will achieve the specific goals of the organisation. It is about ensuring that we value the natural talents and aspirations of our people. It is about ensuring that we understand what blockages can spoil all our hard work. It is about operating people processes that join together not only with each other, but with the business's goals. And finally, it is also about understanding how to manage people for alignment as well as ability. If we adopt these approaches, not only will business success follow, but we should also have fulfilled and effective people.

Conclusion

Highly demanding business environment makes it imperative for the organizations to build competence in the form of superior intellectual human capital. It is agreed by almost all top management executives of big companies that it is the human resource - a talented one - that can provide them competitiveness in the long run to achieve the organizational objectives. So it is the duty of the HR department to nurture a brigade of talented workforce, which can win them the war in

the business field. The talent has to be spotted, carefully nurtured and most importantly preserved with utmost care. Right person for the right job - is the new mantra.

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