

Talent Management - A Strategic Human Resource Challenge

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Abstract

Companies have undergone revolutionary changes in the past decade due to increased competition in a global market place. These changes are having a major impact on the role of managers. The fortune 500 companies have greatly restructured in an attempt to become more competitive with hundreds of thousands of employees laid off in the past decade as a result. Employees in the organizations are working extra hours in the organizations to meet the consumer's requisites and to sustain in the competition.

The recent trends in Human Resource Management (HRM) include Employer's Brand, Competency Mapping, Business Process Outsourcing, HR Balance Score Card, HR Matrix, Dual Career Groups, Knowledge Management, Virtual Organization structures and HRM, Learning Organizations, Right Sizing, Emotional Intelligence, and Talent Management. The companies have recognized importance of these strategies to gain the strategic advantage. In this present article the impact of Employer brand and learning organization on talent management is studied.

Introduction to Talent Management

Talent management implies recognizing a person's inherent skills traits, personalities and offering the matching job. Every person has a unique talent that suits a particular job profile. It is the task of Human Resource (HR) department of an organization to choose the right candidate for the right job. A wrong fit results in further hiring, re – training and other wasteful activities.

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Talent management is beneficial to both the organization and employees

Benefits to Organizations

The organization benefits from increased productivity and capability through a better linkage between individuals' efforts and business goals. It is also benefited through commitment of valued employees and can avoid problems like reduced turn – over, increased bench strength.

Benefits to Employees

Employees are benefited 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 globalized world, it is only the Human Resource that can provide an organization the competitive edge, because under the new trade agreements, the technology can be easily transferred from one country to another and there is no dearth for sources of cheap finance. But the talented workforce is always very tough to find. The biggest problem here is how to retain the present workforce and stop them from quitting.

Talent – Talent simply means the sum of abilities, skills and knowledge that is in short supply.

Knowledge – Knowledge is the power / capacity for effective action. The processed information in the actionable form is referred as Knowledge.

Objectives of the present study

The primary objective of this study is to understand the concept of Talent Management in the globalization

Secondary objective is to know the current applications of Talent Management

Third objective is to know the current strategies of Talent management

To study the role of Employer's Brand in Talent Management

On the other hand the study also focuses to know the relation between the talent management strategies and learning organization.

Finally, to know the problems in implementing the talent management strategies in today's context

Talent Management

Talent management refers to the process of developing and integrating new workers, developing and retaining current workers and attracting highly skilled workers to work for the company. This term was coined by David Watkins.

It mainly focuses on attracting and retaining profitable employees. As it is increasingly more competitive between firms and of strategic importance, has come to be known as the war for talent.

History

It was emerged in 1990s and continuous to be adopted as more companies come to realize that their employee's talents drive their business success. Talent management in the organizations was introduced to solve the problem of employee retention. The issue for today's organizations is to retain the employees to their company. This talent management system in this global context must be developed as a part of business strategy. It is not only the duty of human resource department to attract and retain the employees but also be practiced at all the levels of the organization. Divisions with in the company should openly share the information. The talent management is integrated with other plans and processes in the organization. These plans include:

1. Sourcing, attracting, recruiting and selecting the qualified candidates with the competitive back grounds.
2. Managing and defining the competitive salary structures.
3. Provision for Training and development opportunities.
4. Implementing performance management system as a strategic tool.

5. Development of retention programs.

6. Talent management some times termed as Human Capital management, Human resource information system or human resource management systems and human resource modules.

An over view of Human Capital management

Companies that engage in Human Capital Management (HCM) are strategic and deliberate in how they source, attract, select, train, develop, retain, promote and move employees through the organization. Research works on such systems implemented in top most companies consistently uncovers the benefits in these critical economic areas like revenue, customer satisfaction, quality, productivity, cost, and cycle time and market capitalization. The mind set of this HRM approach seeks not only to hire the most qualified and valuable employees but also to put a strong emphasis on retention. Since the initial hiring process is so expensive to a company, it is important to place the individual in a position where his/her skills are being extensively utilized.

More than hundred organizations have defined talent management as a high worthy individuals to perform the job. Few thinkers defined it as the general management based on assumption that all people have talent which should be identified and extracted. Talent management covers two major areas that are Performance and Potential of individuals. Current employee performance with in a specific job has always been a standard evaluation measurement tool of the profitability of an employee. Talent management also seeks to focus on an employees potential. Potential is the capacity in an individual to perform if given proper development of skills and responsibility.

The major aspects of talent management practiced with in an organization must consistently include

1. Performance Management
2. Leadership Development
3. Work force planning or identifying talent gaps
4. Recruiting

The term talent management is usually associated with competency – based Human Resource Management practices. Talent management decisions are often driven by a set of organizational core competencies as well as position – specific competencies. The competency set may include knowledge, skills, experience and personal traits which are demonstrated through the personal behaviors. Older competency defined models contain attributes that rarely predict the success. For example education, tenure and diversity factors that are illegal to consider in relation

to job performance in many countries and unethical within organizations. HCM focuses more on talent market place. What is Talent Market place?

Talent market place

A talent market place is an employee training and development strategy that is set in place with in an organization. It is most beneficial for the companies where the more productive employee can be picked fro the different positions. The point of activating a talent market place with in a department is to link individuals' particular skills. The example companies here include American Express and IBM.

Current Applications of Talent Management

In current economic conditions many companies have felt the need to cut the expenses. This should be the ideal environment to execute a talent management system as a means of optimizing the performance of each employee and the organization. However, very few companies are developing this concept. In fact only 5% of organizations have a clear talent management strategies and operational programs in place today.

To develop a clear talent management strategy and to increase awareness of available talent and successors, all organizations should conduct regular talent review meetings to be prepared for a Varity of business changes, such as mergers, company growth or a decrease in talent needs. In the same way, all companies have regular meetings and reports regarding their financial statues and budgetary needs.

Most large companies have talked about talent management also referred to as workforce management. The process of managing the supply and demand of talented people is to achieve optimal business performance in alignment with organizational goals. A survey conducted in 2008 by International Association of Human Resource Information Management found that approximately half of all respondents said that their companies had no integration between systems and talent management process but these are fairly linked to business goals. Talent Management programs conducted from organization to organization may vary from time to time.

Strategies developed to manage the Employees Talent

The strategies help to retain, develop and utilize the talent. In addition these strategies would ensure the use of talents in appropriate projects and activities. Organization has designed organizational strategies and continuously monitors them as these can form the solid basis for the Talent Management. The available talent in the organizations may often form basis for corporate strategies. The talent management strategies include:

1. Management of relationship: organizations have to build relationship with talented employers beyond normal employee – employer and employment relationship. This is based on friendship relations, human relations and family oriented relations.

2. Title of the job: the talented employee is titled as “partner” in the organizations.

3. Employee bondage with management: in addition to partner title, the employee should be offered profit – sharing, employee – stock – option, productivity sharing enabling the employees to take part in success as well as failure events.

4. Employee Empowerment and Participation: talented employee should be allowed to take part in decision – making of top level decisions, strategy making and access to critical information. In addition talented employees should empower with regard to his or her job.

5. Company representation: Company should allow and enable the talented employees to represent the company in various committees, celebrations, negotiations and arguments.

6. The pay package, Benefits and Allowances: Company should pay special and discriminated salary, benefits and allowances to talented employees to retain them and get best out of them.

7. Career and Succession planning of the employee: Company should plan for the care of talented employees as special ground and it should be challenging and competitive. Despite all these strategies some talented employees prefer to leave the company and join other companies. In such cases companies should prepare succession planning.

8. Nature of Work: Talented employees’ should be given challenging, competitive, innovative and creative work in order to tap their creative skills and potentialities.

9. Organizational Work Environment: Companies should provide conducive work environment – physical, social and psychological that should be appreciated for talented employees.

10. Change and Creativity: Talented employees' prefer change, challenge and creativity at the work place. So the organizations should initiate, encourage and introduce change and also should provide smooth transaction for the projects based on the change. Similarly organizations encourage creativity in order to enhance organizational efficiency.

11. Freedom to Employees: Talented employees' should be given freedom with regard to the nature of work, working hours, rules and regulations, work place, working methods and styles.

12. Learning and Development: Learning, growth and development of skill, knowledge, values and abilities are crucial for talented employees to update and prevent possible obsolescence in their talents. Therefore companies should specially design continuous learning and development programs for talented employees.

13. Recognition and rewards: The contributions of talented employees should be recognized and rewarded for their excellent performances timely.

Latest trends in Strategic Talent management

The recent studies on Talent Management have revealed that there is a growing trend of choice HR jobs being awarded to non HR professionals.

Talent management is seen as a strategic task by senior leaders, but the perception is that HR professionals are generally incapable of executing talent strategies. Most senior managers may believe that HR lacks the skill set to effectively run a Talent Management program.

A detailed Talent management program should include each variable as listed in talent management strategies. Companies analyze, plan, forecast and execute the planned work force and market data. Employees are trained or hired for competencies determined by work force analytics and gap analysis. Training and development is a complementary to succession planning to meet the current and future organizational demands and goals.

Opportunities and benefits of Talent Management by integrating workforce planning with business strategy

As a summary there are benefits by creating integrated talent management and workforce planning structure. The benefits by integrating this talent management strategy with business strategy may result in the following:

1. Manger can predict the performance of the employees.
2. There is an increased level of customer satisfaction.
3. There is low employee turn – over.
4. There is an increased profit as a result of hiring talented people and at the right time.
5. There is increased revenue as a result of efficiencies.
6. There is an assurance of stable management team today and in future also.

Talent Management Systems (TMS) is a process of recruiting, managing, assessing, developing and maintaining an organization's most important resource and its people.

The research reviews revealed that the companies like Infosys, Wipro, Satyam, HCL Technologies and I – Flex Solutions have been continuously increasing their revenues year by year. They are providing great work environment to their employees and providing good salary, perks, overseas assignments, challenging and highly competitive work environment. The senior executives of Philips are emphasizing on talent management of its executives to retain the talents of the employees. For this purpose they have developed which was designed by Bradford Smart. According to this 3 * 3 matrix workforce is categorized in to 9 styles basing on which the decisions are made. This decision matrix helps the organizations to develop the requirements to manage the talents of people.

The X axis of the matrix denotes performance low to high and the Y axis denotes employee potential.

Trusted Professional	High impact Performer	Star Performer
Questionable performer	Solid citizen Performer	Strong Performer
Low Performer	Questionable Performer	Solid Citizen

(Source:

Author)

The matrix of employee performance and potential has nine different quadrants – namely trusted professional, high impact performer, star performer, questionable performer, solid citizen performer, strong performer, low performer, questionable performer and solid citizen. These quadrants are explained more clearly in the below diagram.

The Matrix is explained clearly below with the features of each cell of the matrix.

Type	Trusted Professional	High impact Performer	Star Performer
High Performance	<p>It is characterized by Low potential and high performance</p> <p>These people are specialized and experts</p> <p>The action includes in continuous development of current position in the right job</p>	<p>It is characterized by medium potential and high performance.</p> <p>These people have a scope to move up further.</p> <p>The action required here is to look for the opportunities to display leadership in current job</p>	<p>These top talented employees.</p> <p>These people need to be recognized, rewarded and encouraged.</p> <p>The action required in this case is stretching the commitments to prepare larger roles for these people.</p>
	Questionable performer	Solid citizen Performer	Strong Performer
Medium performance	<p>These are medium performers with low potential</p> <p>These people need to be observed focused and motivated by top management</p> <p>The action required is to prepare the plan to improve both performance and potential of the people</p>	<p>These are characterized by medium performance and medium potential</p> <p>These people have a scope to be moved upwards by giving challenging tasks.</p> <p>The action required is to continue in developing skills to improve performance.</p>	<p>This is characterized by medium performance and medium potential.</p> <p>It is advised to demonstrate the high talent to advance.</p> <p>Actions required are to focus on the performance of employees as well as potential to develop the talent for the long – term.</p>
	Low Performer	Questionable Performer	Solid Citizen
Low performance	<p>These people are characterized by low performance and low potential</p> <p>The action required is to reassign the positions people or to quit them from the jobs</p>	<p>It is characterized by low performance and medium potential.</p> <p>The action required here includes improving the performance as there is a scope to move the people for further levels.</p>	<p>This is characterized by low performance and high potential.</p> <p>These people may be placed in wrong job and interventions are required to develop the people.</p> <p>The action required here is to know the root cause of the problem and need for the development.</p>
	Low Potential	Medium potential	Low potential

Role of Employer's Brand in Talent Management

Scarcity of Talent: A part from being demanding, the talented employees are most important who are in short supply. There are too many jobs but suitable candidate for the jobs are very less and hence there exists an imbalance. The global demographic factors indicate that most advanced countries in the world are facing ageing populations as 20 – 30 percent of their populations are over the age of 60. The people in between the age group 25 – 35 are very less. So in view of this scarcity of talent, companies have been formulating strategies to attract talent. One among them is creating and establishing the Employer Brand in the domestic and global labor markets.

Employer Brand is defined as an emotional bond among employer, present and prospective employees and various organs of the labor markets that creates and builds an organization's reputation as the most preferred employer.

Necessity for Employer Brand

Employer Brand has become essential in view of scarcity of talented employees. Factors highlighting the need of employer brand include – the scarcity of talented employees in the organizations, to gain the competitive edge, impression management, organizational loyalty, to increase the recruitment and selection ratio, to retain the talented employees, to create a social branding and so on.

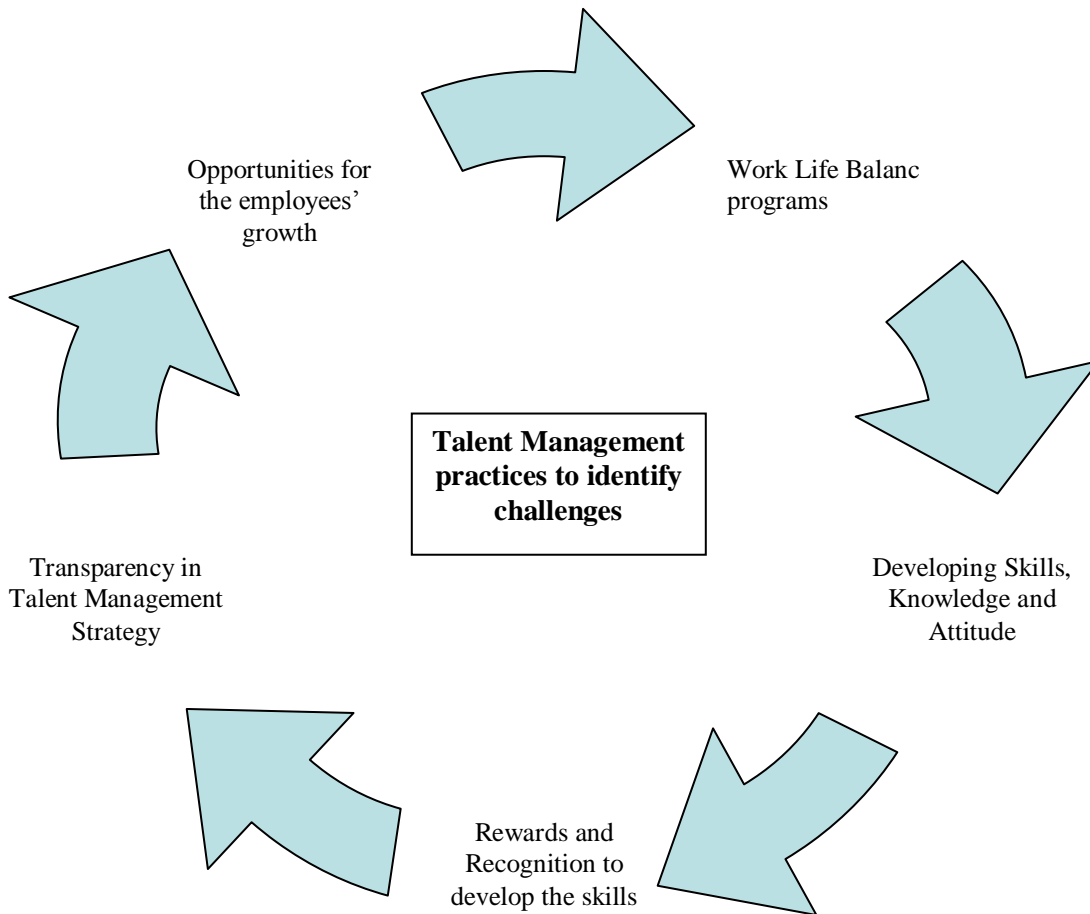
Employer Brand should emphasis on employee needs which include – creation of interesting work environment, appreciation, and freedom in decision – making, sympathetic understanding of personal problems, provision for attractive salaries and benefits, planning for employees careers, creating personal loyalty and employee empowerment.

Business Today, Infosys, Mind Tree Consulting, Dr. Reddy's labs, Johnson and Johnson, HCL Connet and HSBC are few top most companies maintaining Employer Brand.

So these employer brands can design the organization in a better way to retain the talented employees. Employer brand crates a brand image in the minds of the employees who are already working in the organizations and who are ready to apply for the jobs.

Talent management practices to sustain in the competition

The talent management strategies focus on the following practices to face the challenges include the following



(Source: Author)

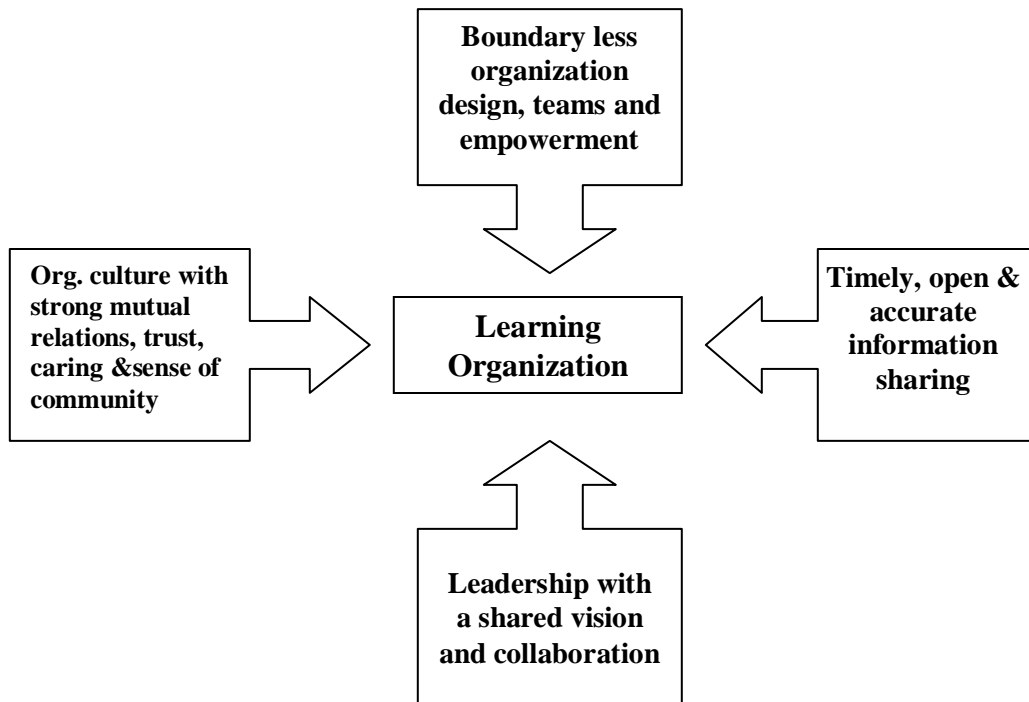
1. **Opportunities for the growth of employees** – the companies today are focusing on the employee growth opportunities to develop and retain the talented personnel with them. This practice is always a healthy sign for the managements because the talented employees are high-flyers in the society. The opportunities provided for the employees obviously motivate them and helps for their career development and also to exhibit their creativity.

2. **Work life balance programs** – the WLB (Work Life Balance) focuses on job and personal life balance. These are a balance between these two components failing which leads to stress. This may badly affect an employee's career development and as well as organizational growth. Hence this is an important practice the organizations need to focus to face the competition.
3. **Focus on Developing skills, knowledge and attitudes** – Employees skills, knowledge and attitudes are the critical success factors for the organization. Hence the talent can be retained and managed by nurturing the skills, knowledge and aptitude of the individuals.
4. **Rewards and recognition for the advancement in skills of employees** – all the individuals work in the organization not only to serve the society but also to satisfy their needs which are linked with money. This is the remuneration that they get out of their services. The rewards that they get must satisfy their expectations and also these services must be recognized. Hence to sustain in the competition the rewards and timely recognition is essential for the individual through which organizations can develop and retain the talented employees.
5. **Transparent talent management strategy** – another important practice the organizations should focus are maintenance of transparent talent management strategies. Talent management strategies like Management of relationship, Job title, Bondage with the employee, Participation and Employee Empowerment, Company representation, Pay, Benefits and Allowances, Employee Career and Succession planning, Employee Recognition, Nature of Work, Organizational Work Environment, Change and Creativity, Freedom to Employees and Learning and Development should be transparent.

Talent management strategies and learning organization

The organization which wants to focus on the talent management should focus on the learning organization. The concept of learning organization deals with the capacity of an organization to continuously adopt and change because all members take the active role in identifying and resolving work – related issues. This helps to nurture the talented people and also retains them. The talent management strategies are closely related with learning organization concept.

Employees in learning organization are practicing the talent management strategies by continuously acquiring and sharing the new knowledge and are willing to apply that knowledge in making decisions or performing their work. The important characteristic features of learning organizations revolve around the organization design, information sharing, leadership and culture.



(Source: Author)

The organization design is critical area because the members share information and collaboration on work activities through out the organization with functional specialties. In learning organization development of team culture helps to manage the talent and these teams are empowered to make decisions about their work.

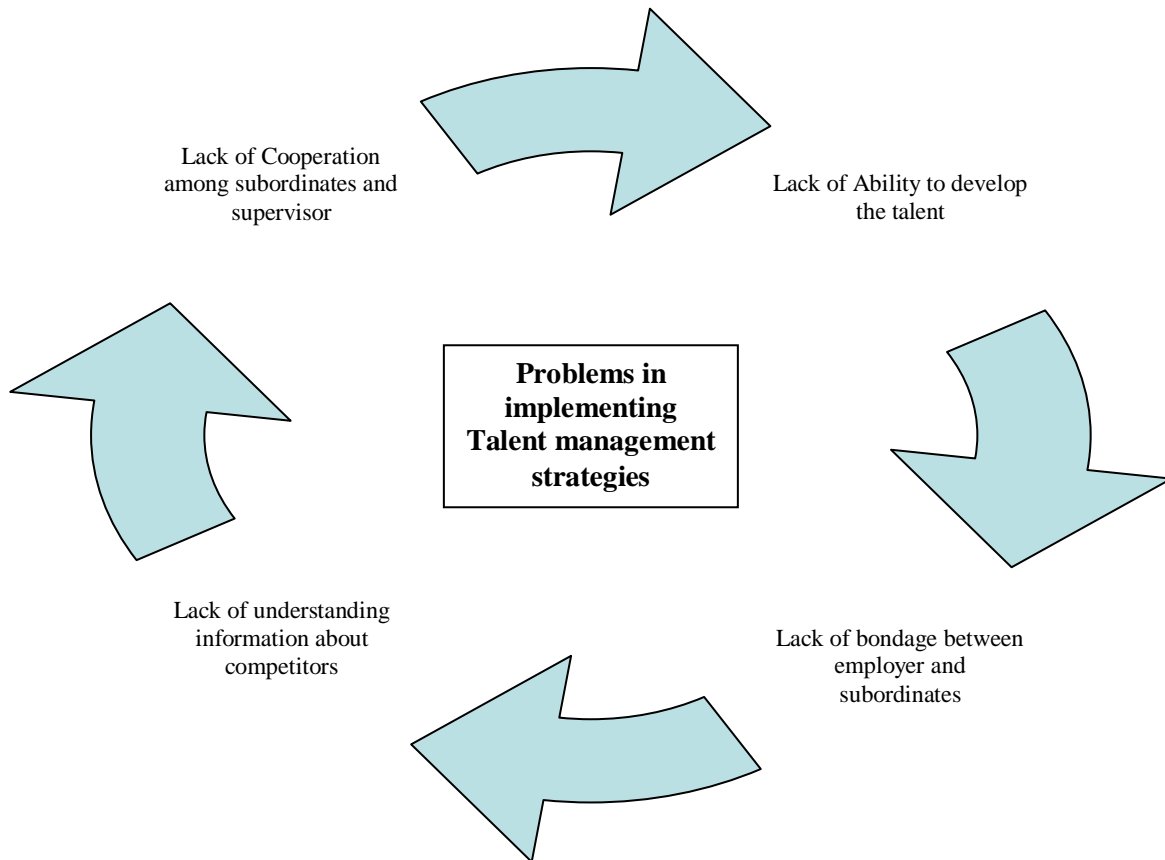
The learning organization is not possible without the *sharing of information*. For this the organizational employees must engage in talent management. That means sharing information openly and at the right time helps the employees to stay in an environment with a conductive and open communication.

Leadership on the other hand also plays an important role as an organization moves to become a learning organization. The leaders here help the followers through the creation of a shared vision for the organizations future and then keep the members of organizations work towards the vision.

Finally the *organization culture* is an important aspect of learning organization. The culture of learning organization helps agree the shared vision, recognizes the relationships among the members, improves their activities, functions and thus develops a healthy relationship with external environment. Further it also helps to create the strong sense of community, caring for each other and trust.

Finally, the learning organization concept is closely related with talent management strategies through making employees feel free to communicate openly, share, experience and learn without fear of criticism or punishment.

Problems in implementing Talent Management strategies



The problems in implementation of talent management strategies include

1. Lack of cooperation among subordinates and supervisor
2. Lack of ability to develop the talent
3. Lack of bondage between employer and employees
4. Lack of understanding information about competitors

Lack of cooperation among subordinates and supervisor – it is common problem in most of the traditional organizations that the superiors never open to subordinates as they want to maintain dignity in front of them. This is a major drawback to implement the talent management strategy.

Lacks of ability to develop the talent – employees in the organization are sometimes with a feeling that whether their performance may be a waste if they experiment or create something out of their experiments. It is a problem in implementing the talent management strategies.

Lack of bondage between employer and employees – employers and employees if not have the commitment and loyalty towards each others also hinders the talent management process in the organization.

Lack of understanding information about competitors – this is another problem for most of the organizations today. Analyzing the competitors is very essential to develop the talent management strategies in the organization.

Conclusion

Talent is inherent, unique and can not be measured. So, it has to be groomed and managed well. The concept of talent management has emerged to maintain and retain the talented employees. For the success of Talent management strategies companies must also focus on the Employer brand and the concept of learning organization through which the management of talent and retaining the talented people with the organization will be easy. For this purpose the companies are striving hard by adopting the latest changes from the global environment to hire the talented employees. Talent is precious and it has to be taken care. The organizations are designing number of possible strategies to manage the talent of the employees. It is essential for today's business because the talent is the only 'mantra' of managers today. So the Multi-National Corporations and the domestic companies are suggested to adopt the strategies designed for the talent management and implement these strategies as a part of the business strategy for the long – run success of the business.

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