

Talent Management: Development and Sustainability



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Abstract

Talent management helps potentiality match commitment. The management needs to recognize the people's inherent skills, traits and place the right person on the right job for better performance and provide necessary training and exposure for development. The management of both public and private sector realized that when technology is leveling high, it is their people alone, and who can make the difference and can lead the organization to newer and unconquered heights. Talent management practices considered for the study includes recruiting and staffing, competency management, leadership development and assessment, performance management, compensation and succession planning. In addition, organizational culture, employee engagement and leadership development have a significant impact on talent retention. Taking these factors into consideration, an integrated approach to talent management offers a pathway toward sustaining outstanding business results.

Keywords: Talent Management, Commitment, Performance Management & Succession Planning.

Introduction

The "talent management" has become one of the most important buzzword in today's HRD practices. The human assets are different than other assets as being live and movable. Traditional HRD practices find difficult in retaining employees and even the best HRD practices becomes obsolete, if the employees move from the organization. This has compelled the organization to re-think the entire development initiative.¹ (Kumar, 2012)

Globalization, the process by which economies, societies, and cultures are fast integrating through a network of communication and trade, drives both collaboration and competition. Even so, many companies have started developing the concept of human capital management and also states to have a clear talent management strategy and operational programs.

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 variety of business changes, like company growth and mergers. Hence talent management has become one of the most pressing topics today in organizations to gain competitive advantage.

According to American society for training and development (ASTD) "talent management is a holistic approach to optimizing human capital, which enable an organization to drive short and long term results by building culture, engagement, capability, and capacity through integrated talent acquisition, development, and development processes that are aligned to business goals."² (Das, 2012)

Talent management is a complex collection of connected HR processes that delivers a simple fundamental benefit for any organization. Talent management refers to the process of attracting highly skilled workers, and developing and retaining current workers to meet current and future business objectives (OPG, 2014). Companies engaging in a talent management strategy shift the responsibility of employees from the human resource department to all managers throughout the organization. The process of attracting and retaining profitable employees, as it is increasingly more competitive between firms and strategic importance, has come to be known as HCM (Human Capital Management) (Ezeanokwasa, 2014). The issue with many organization put tremendous efforts into attracting employees to their company, but spend little time in retaining and developing talent. A talent management system must be worked into the

strategy and implemented in daily processes throughout the company as a whole. It cannot be left solely to the human resource department to attract and retain employees, but rather must be practiced at all levels of the organization. The business strategy must include responsibilities for line managers to develop the skills of their immediate subordinates.

A skill gap is a discrepancy between an organization's current capabilities and the human capital needs to achieve its goals. It is the point at which an organization may no longer grow or remain competitive because it cannot fill critical jobs with personnel that has the right knowledge, skills and abilities. Rapidly changing lifestyle drives different expectations too. Today, staffs are more interested in having meaningful and challenging work. They are therefore more loyal to their profession than the organization. It follows that are less accommodating of traditional structure and authority and more concerned about work-life balance (Sung & Choi, 2014). Therefore, they are better prepare to take ownership of their careers and development.

Duration of the Study

The present study was reviewed from 2008 to 2015

Review of Literature

Theoretical Review

Resource based view focuses on the quality of the human resources available to the organization and their ability to learn and adapt more quickly than their competitors. Resources lead to sustainable competitive advantage when they are valuable, rare, inimitable, and non substitutable. Talent management can contribute to sustained competitive advantage through facilitating the development of competencies that are firm specific, promote complex social relationships and generate tacit organizational knowledge. Resources such as technology, natural resources, finances and economies of scale can create value, however this sources of value are available to all and easy to emulate, compared to complex social systems like human resources. The resources based view support organisation resources in the form of knowledge and skills that people bring to the organisation.

Human capital theory focuses on education and training as a source of capital. Education increases people's skills and knowledge which when invested in a firm increases organizational performance. Human capital is a form of resource that organizations can invest in and is of value to the organization to the extent that it makes the organization productive (Strober, 2010). Investments related to attracting, developing, and mobilizing talent can be viewed as investments in the human capital of the firm. Torrington (2008) explains that human capital intelligence and experience of is a source of competitive advantage that cannot be emulated. This theory has implications for attracting, engaging, rewarding and developing people in organizations hence useful in this study. The employees with higher levels of human capital can contribute more in an organization than the employees with low levels of human capital.

The organizational processes flowing through these structural arrangements, through which individuals engage in talent creation, storage, and deployment (Roberts, 2008). The internal resources have a crucial role to play in the performance of the organization (Wright et al., 2009). The talent based view of the firm, which gives importance to develop and enhance the competency of the employees of the firm through a systematic talent management process.

Social exchange theory is a social psychological perspective that explains social change and stability as a process of negotiated exchanges between parties. Human relationships are formed by the use of a subjective cost-benefit analysis and the comparison of alternatives (Gould Williams, 2007). It identifies the conditions under which people feel obligated to reciprocate when they benefit from the organization. A positive relationship between employees and organization can help generate a favorable outcome such as organizational performance.

Employees enter the organization with specific skills, desires and goals, and expect to find an environment where they can use their skills, satisfy their desires and achieve their goals. When the organization fail to provide sufficient rewards in exchange for employee's efforts, is likely to result in decreased organizational performance. The more useful they find the benefits provided the more they want to give something extra back to the firm (Wright & McMahan, 2011).

Empirical Review

Nancy, (2014) study on talent management and performance found that talent management has a strong association with productivity, growth and performance which will provide the organization with the necessary competitive edge to attract and retain talent necessary to achieve organizational performance. Talent management of knowledge workers and high potentials should be an increasing strategic importance for organisation to increase performance (Vance, 2008).

(CIPD, 2011) study on learning and talent development results indicated that inhouse development programmes at 56% and coaching by line managers at 51% ranked among the top effective learning and development practices. Moreover, the study found that effective talent development process has a positive impact on organisational performance. This study was carried out through a survey of various organizations. The study also found that the skills the employer said they needed to focus on in order to meet their business objectives. The study detailed in depth the learning and development strategies that were considered important by different organizations. However, the study did not outline how these strategies had impacted on organizational performance. A study should be carried out to establish the effect of talent development influence organizational performance.

(Poorhose inzadeh, 2012) cross sectional study done on Malaysian Multinational companies also found a positive and significant relationship

between developing talents and the success of the companies. A company that adopts a compensation policy that is consistent and reinforces it is more likely to implement those talent management strategies than a firm that adopts compensation policies that are inconsistent with its strategies (Armstrong, 2006).

Faria, Rabbi and Tanzila, (2015) studied directly linked between talent management organisational performance therefore, a study should fill the existing gap by including the mediating and moderating variables. The sum of people's knowledge and expertise, and social relationships, has the potential to provide non substitutable capabilities that serve as a source of competitive advantage. A research should be done to determine talent management policies and procedures to be adopted by organisations to improve performance.

Objectives of The Study

The objectives of the study are:

1. To understand the Model for talent Management.
2. Define the roles of HR and line management in talent management.
3. Explore issues and possible solutions for retention of talent.
4. Engage the talent.

History of Talent Management

The term was coined by Mc Kinsey & company following a 1997 study. It was later the title of a book by Ed Michaels, Helen Handfield-Jones, and Beth Axelrod however the connection between human resource development and organizational effectiveness has been established since the 1970s.

The profession that supports talent management became increasingly formalized in the early 2000s. While some authors defined the field as including everything associated with human resources, some authors defined the boundaries of the field through surveys of those in corporate talent management departments in 2009-2011. Those surveys indicated that activities within talent management included succession planning, assessment, development and high potential management. Activities such as performance management and talent acquisition (recruiting) were less frequently included in the remit of corporate talent management practitioners. Compensation was not a function associated with talent management (Lambert, 2017).

The issue with many companies today is that their organizations put tremendous efforts into attracting employees to their company, but spend little time into efforts into attracting and developing talent. A talent management system must be worked into the business strategy and implemented in daily processes throughout the company as a whole. It cannot be left solely to the human resources department to attract and retain employees, rather must be practiced at all levels of the organization. The business strategy must include responsibilities for line managers to develop the skills of their immediate subordinates (Bisk, 2015). Information sharing within the company should be open to all employees in all departments in order for employees to gain knowledge of the overall organizational objectives.

The talent management strategy may be supported by technology such as HRIS (HR Information Systems) or HRMS (HR Management Systems) (Ebimobowei, Felix, & Wisdom, 2012).

Significance of Talent Management

In present talent-hungry marketplace, one of the greatest challenges that organizations are facing is to successfully attract, assess, train and retain talented employees. Talent management is the end-to-end process of planning, recruiting, developing, managing and compensating employees throughout the organization (Dangmei, 2016). Thus the four pillars of talent management are recruiting, performance management, learning management and compensation management.

Today, many organizations are struggling with HR process and technologies. The future of talent management is embodied in solutions designed from the ground up to provide business-centric functionality on a unified talent management platform. Since nearly all business factors have become commoditized, talent is what ultimately drives business success and creates value (Wow, 2014).

Though it may seem intuitive, it is worthwhile to articulate the fundamental significance of successful talent management practices:

1. The key enabler of any organization is talent.
2. Talent drives performance.
3. The quality of your people is your last true competitor differentiator.

Talent management requires strong executive support along with system and processes all directed towards having the right talent doing the right work at the right time. That's when talent truly drives higher business performance. 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; and a better fit between people's jobs and skills. Employee benefits from: Higher motivation and commitment; career development; increased knowledge; contribution to company goals; and sustained motivation and job satisfaction.

Talent: Development And Sustainability

Talent sustainability is an organization's ability to continuously attract, develop and retain people with the capabilities and commitment needed for current and future organizational success.

Critical Talent Identification

It is identifying what type of talent is most critical to implementing the organization's strategy, continuously developing that talent, and moving it into roles where it is most needed. Here, the top management needs to: identify the roles, individuals and competencies; notice what employees do their leisure time and find out their interests (Kasar, 2010); try to discover their strengths and interests; also, encourage them to discover their own latent talent. This process can be done through job analysis, job description, job satisfaction, job evaluation, competency mapping, etc.

Sourcing & Recruiting

Developing reliable sources of talent for the organization and practices for attracting that talent to the organization.

All the time, the internal talent may not be sufficient to fill up the competency gap. Therefore, recruiting qualified talent is another critical step in the talent management process. It involves following steps:

Defining and Attracting Talent

The talent requirement needs to be defined in the context of business plan, compensation budget and hiring plan of the organization. Organization should create strong identity and brand service conditions for their employees through which they can attract the talent to join their organization (Oracle, 2013).

Assessment and Selection

Talents are natural endowments of a person. All talented people who have applied for the job necessarily may not be suitable for the job. For the organization, it is not simply attracting “best and brightest people” but “creating the right fit, both for today and tomorrow” (Zhao & Chandrasekar, 2015). For this the management should use proven talent selection tools to select right person for the right job.

New job Integration/ Assimilation

How employees are introduced in the organization has a major on their commitment to the organization and their desire to remain with the organization.

Competency Model Development & Development

Delineating the competencies needed in employees and using the resulting competency models across talent process.

HR challenges encompasses from finding the right talent to retaining, nurturing and grooming them. Talent management forms the core of any activity in HR today. Talent acquisition, talent development and talent retention are three key challenges that the current business is experiencing. The growth of industry will be stifled if these challenges are not tackled strategically (Study Mode, 2012). The existing models no longer attract, hold or motivate the workforce. Talent acquisition has gained more strategic importance than capital, technology, marketing and R&D. More and more companies are more likely to control business not due to lack of capital or market but because of losing in the war of talent (Marcus Evans, 2002). The HR practices of last decade like flexi time, employee stock option, flattening hierarchies, customized OD practices, innovative benefits and employee engagement models needs to identify new ways of managing the workforce.



Learning & Development

Creating opportunities for employees to enhance their capabilities and connection with others in the organization in order to improve job performance, career development, organizational commitment and organizational performance. Employee wants to be challenged and developed. If they are not, they will become less productive or perhaps even leave. The development aspects of employee may take place through training and development/ coaching/ mentoring/ job rotation etc. Therefore organization need to emphasize more and more on nurturing and grooming talent, as the current practice, selecting the talent has proved to be uncompetitive. In company grooming the talent will

always be more productive, which in turn makes good business sense and build a rich human capital.

Training programmes should be drawn in line with the training needs and business requirements. Orientation programme for campus recruits should be done by the executives.

Knowledge Management

Developing and making accessible the shared knowledge, expertise and collective wisdom across the organization.

To enable every employee a skill in which he excels, and which can be termed as the core competency, through HR intervention programmes. In today's new world of business, employees will be more willing to stay if they find that they have the opportunities to learn new things and develop new

skills that they have the opportunities to learn new things and develop new skills that will benefit their career in long-term. Learning is about improving employee's abilities, and competencies, through improved knowledge and changed behavior, to enhance their capacity to take effective action and response to situation in a given movement. Therefore management should try to build an environment where innovative ideas are honored, opportunities created through work based learning, information distribution, customer insight, knowledge sharing, job swaps, coaching, etc (Study Mode, 2011), international exposure and training, to ensure that people in the organization are understanding the environment of business and the matrix of functions involved, so that they are better prepared, international exposure to related fields of activity and imparting training for the needs arising from such exposure commensurate with the need of the organization, are to be implemented as the HR intervention to keep the organization fighting fit.

Communication plays a vital role in knowledge management, as it creates a kind of environment where employees feel that they are trusted. If employees are provided with an environment in which people are comfortable with giving ideas and providing feedback, the employee will come forward with new ideas, feel free to criticize and feel motivated to commit themselves to continuous improvement. It is a life line of any business and provides energy for creating culture of excellence through free flow of ideas and suggestions, resulting into involvement and belongingness.

Performance Management

Setting performance standards, monitoring employee performance, providing feedback and support for performance improvement, and existing employees who cannot meet standards.

Performance management is a critical step. The drawback of talented employee is getting frustration very easy. When the employee's performance is evaluated effectively, the action and behaviours that are most wanted to be repeated by people are reinforced. Positive outcome of performance management motivates him but care needs to be taken that individual performance is assessed through an honest approach. An effective performance management system should be simple, immediate and powerfully reinforcing as it is a crucial task of HRD as any mismanagement may not only nullify the work of identification and development but also create a chaos if not properly handled and fruit may be negative.

Reward & Recognition

Using formal and informal rewards to align employee behaviours and activities with organizational strategies and to build a committed workforce.

This is an integral part of talent management. Everyone wants to be recognized for their hard work, loyalty or special achievements. But no single rewards formula works for all. Thus, talented employees are rewarded in different ways to motivate

them to work harder and to be more productive. For instance, employees who demonstrate actions which are innovative, raise standards of performance, save cost, should be recognized on the spot, at any time and as soon as possible after the performance have taken place so that the employee feels motivated to repeat the behavior (Slide Share, 2014). These unexpected rewards and recognition have the power to emotionally bind employees to the company and by publicly recognizing and rewarding deserving persons; the organization can cultivate an environment which talent flourishes.

Executive Commitment & Engagement

Senior executive who believes that employees are critical for organizational success, who are directly involved in talent management work, and who ensure that their organization has effective talent management practices in place.

Effective organizations anticipate the leadership and talent requirement to succeed in the future. Leaders' should understand that it's critical to strengthen their talent pool through succession planning, professional development, job rotation and workforce planning (Devine & Powell, 2008).

Today, leadership role in a manager is in deficiency. Therefore, strategies and action plans should be drawn to prepare the leaders for tomorrow. Assessment of skill and knowledge gaps of those managers should be done and then necessary development input should be provided.

The Role of HR

In talent management, HR has many roles-one of the most important is that of facilitator of the talent mindset. HR leads the way for the organizational success. HR has to work closely with the board and senior management to ensure that they are committed to talent management work. As a talent management facilitator, HR also pays close attention to how the organization's culture supports talent. HR's role encompasses communicating the talent management philosophy companywide. In addition, HR needs to develop an integrated and proactive strategic approach to talent management-the big picture-as well as managing critical information, such as tracking turnover and knowing what factors contributes to retention.

To integrate talent management into all areas of the company, HR also plays a role of change management agent. To drive this change, HR address four diverse talent management activities: recruitment, performance management, leadership development and organizational strategy. In this role, HR manages four major risks to the business: 1) vacancy risk (to safeguard key business capabilities, focus on scarce skills and fit to position); 2) readiness risk (to accelerate leadership development, provide full business exposure to rising stars); 3) transition risk (to avoid loss of key talent, select successors with leadership ability and hire for organization capability); and 4) portfolio risk (to maximize strategic talent leverage, focus on senior management's commitment to development and performance standards).

However, public sector organizations have experienced an unprecedented rate of change in

recent years, causing many to debate to include talent management. Faced with a gamut of new challenges, many public sector organizations are revamping leadership capability. Health, central and local government organizations in particular are considering whether talent management can help them recruit, nurture and develop the next generation of public leaders.

Talent management is a relatively new area for both public sector and private sector organizations. Interest in talent management has sharpened into a strategic imperative as many organizations have begun to experience the so-called 'war for talent'. There is a dwindling supply of young workers and, more seriously for public sector organizations.

Public and private sector organizations are also beginning to experience skills shortage caused by a complex interplay of factors such as changing demographics; international competition; the changing composition of the workforce. The reality of these trends is that many public sector organizations are experiencing difficulties in recruitment and retaining employees, particularly where they compete with local firms for skilled workers. Concern about the quality and quantity of current and future public leaders has led to calls for better talent management. Organizations need to take a holistic approach towards talent management. It is important to establish clear expectation and communicate openly about the talent management process. By HR explaining to management and employees why talent management is important, how it works and what the benefits are to the organization and participants, talent management strategies are more likely to be seen as a fair process.

Conclusion

It is extremely important for every organization to identify, develop and utilize the talent of its employees to gain competitive advantage. Talent management is the hot topic for HR managers in organizations, both in private and public sectors. Talent management requires development of available talent in the organization and development of potential talent available in external talent supply source. Internal development of talent is ensured through identification of skill gap and developing them through skill training and development programmes. Therefore, the HR should take 'talent management' measures which will lead to the ultimate goal of an organization. A rightly managed talent turns to be a gold mine. It's in exhaustive and priceless. It will keep supplying wealth and value to the organization. In turn, management needs to realize its worth, extract it, polish it, and utilize it.

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