



## **Attaining the best from the people through effective talent management**

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### **Abstract**

Talent management refers to the anticipation of required human organization needs at the time and setting a plan to meet those needs. Companies engaging in a talent management strategy shift the responsibility of employees from the human resources department to all managers throughout the organization. The process of 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." Talent management also known as human capital management is evolving as a discipline that encompasses process right from hiring people to retaining and developing the same. So, it includes recruitment, selection, learning, training and development, competency management, succession planning etc. These are all critical processes that enable an organization to compete and stand out in the market place when managed well.

**Keywords:** competitive advantage, creating talent, retaining talent, talent management, talent war

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### **Introduction**

There is a remarkable transformation in working conditions in Indian organizations after the implementation of Liberalization, Privatization and Globalization. Opening of Indian economy to MNCs brought increasing competition, restructuring and multiculturalism in the Indian organizations. LPG have brought new work-relationships, job insecurity, insecurity regarding future working conditions and rapid obsolescence of the skills. Organizations are trying their best to recruit, select and retain talented, committed, loyal and good performing employees. Retention of talent is the greatest challenge of Human Resource Managers in the present situation. Today in the wake of the highly competitive scenario in Indian companies, it is realized that it is more difficult to retain talents than selecting talents.

This is evident from the results of the survey which was conducted jointly by the Boston Consulting Group (BCG) and the European Association for Personnel Management (EAPM). According to this recent survey of more than 4741 executives in 83 countries, it is found that the European companies will face five major human resources challenges in the future, with managing talent being the most critical. Managing talent ranked as the most important HR challenge in 9 of 17 countries analyzed, including the UK, US, Australia, Singapore and Japan. This is not only the problem of European companies, but also of the whole world.

### **Emergence of Talent Management**

Of late, Talent Management has emerged as an important global busy challenge in all business enterprises. In fact, the term talent management was coined up as an essential requisite in business for the first-time way back in early 1990s. If there is one participating thing that keeps bothering company's day in and day out, it is certainly the talent and its effective management. Talent management implies a process where the employee is placed on a career path to develop his skills that the organization perceives are valuable. It is but natural that the organization believes that the employee will remain with the organization so that it can receive the benefit from its investment on the employee. Sometimes, talent management refers an outsourcing process where the organization selects talent outside the organization to fill internal needs. In this instance talent is acquired rather than developed.

Talent denotes creativity, freedom and curiosity and many managers described as valuable to imitate because it is essentially unpredictable at the operational level. Talent source is getting into perennial and perpetual short supply as companies in recent times realizing its significance to drive their businesses. The whole process starts with attracting and hiring highly skilled people, developing them to suit one's requirements, then properly inducting and integrating them into teams for work. In these days of severe competition in business, compensation plays a major role in managing the talent. Some management thinkers call Talent Management as Human Capital management (HCM) which encompasses a whole gamut of activities like attracting, developing, motivating and retaining talent. Talent management would be in fact, managing more on general terms with the assumption that everybody has inherent talent and all that is required is to draw it out successfully.

### **Goals of Talent Management**

Talent management has the following goals to be fulfilled in organizations:

- Recruiting competent people and develop them in the organisation.
- Making systematic efforts to retain the existing employees.
- Preparing sufficient number of well qualified people to support business expansion.
- Recruiting high potentials from outside the organization.
- Preparing well qualified and talented people for replacements before key people retires.
- Providing all avenues and sources for development and enhancement of skills of the employees.

The above-mentioned goals are subject to variation based on the nature and dominations of business enterprise and they should be formulated on the basis of business needs. There are two ways to secure talent i.e. develop it from inside the organization and recruit it from outside. It is necessary to think creatively to outcompete other organizations in attracting talent. At the same time, organizational leaders should review their job postings and other internal recruitment programs to ensure that the best qualified people are being recruited for each vacancy.

### **Functions of Talent Management**

After 2nd world war, first time the global market has emerged rapidly and life time employment with an organization has become an exception. The Recruitment and Retention have become the biggest task to the organization because of

- Rapid growth of economy especially service industry
- Change in business models
- Changing management practices
- Movement of employee perception from spirituality to materialism leading to high expectation of salary and comfort
- Change in skill and competency requirements for business
- Change in technology
- Increased number of opportunities
- Shifting market requirements
- Rising costs of hiring new talent
- Shortage of talent due to improper match between economic growth rate and technical professional education.

Talent management is the systematic attraction, identification, development, engagement, retention and deployment of those individuals who are of particular value to an organization, either in view of their high potential for the future or because they are fulfilling business operation-critical roles.

Talent management helps in

### **Getting the Best Employees**

- Workforce Planning
- Specifying Jobs and Roles
- Recruiting
- Outsourcing [having services and functions performed by non-employees)
- Screening Applicants
- Selecting (Hiring) New Employees

### **Developing Employees at All Levels**

- Career Development
- Employee Orientation
- Leadership Development
- Management Development
- Personal Development
- Supervision Development
- Training and Development

### **Retaining High Performing Employees**

- Employee Performance Management
- Retaining Talent
- Group Performance Management
- Interpersonal Skills
- Personal Productivity
- Retaining Employees

### **Creating Talent: A Paramount Consideration**

Creativity is a paramount consideration related to talent management and business organizations should consider the environments that are conducive to creativity and innovation If an employee is punished for a small mistake,

it can suppress creativity and innovation. If the relation. between managers and employees of the organization are not based on trust and mutual understanding, it may be difficult to create the appropriate conducive environment conducting to creativity and innovation. The employees of the organization should believe that the managers will provide the support and guidance required for any creative endeavour without reprisal and this may include the freedom for individuals and groups to act appropriately. Fostering talent from a posture of a safe and nurturing environment would enhance creativity and innovation in the organization.

### **Retaining Talent: Another Necessity**

As a matter of fact, few business organizations have systematic retention policies that are geared to keep the talented people. More often, retention is handled on case by case basis. Such adhoc approaches usually result in treating some people differently from others thereby, creating ill-will and eventually prompting more turnovers. What is needed is a consistent organizational policy of retention that makes use of best practices in employees. Managers should also take step to transfer social relationships. For example, some sales people are highly effective in promotion of sales and business. When these people leave the organization on retirement, they should encourage the employees to have social network with the clients and thereby successors are groomed to assume responsibilities in future. A climate and avenues of growth and innovation need to be created in the organization for the development of employees.

Talent Management has become a major concern for HR executives all over organizations. IT and ITES sectors are the major victims of talent flight and talent retention is giving them sleepless nights. Therefore, talent management should become a strategic business function in people oriented and people intensive businesses. It has to become a core competence for the business to emphasis on quality and quantity. The role of talent management is changing from a mere administrative and supporting one to that of strategically important one to establish a conducive and effective talent management environment that draws out the best from the people working in the organization and thus create a competitive edge for the business.

### **Recent Trends in Talent Management**

A few notable trends in Talent Management are

#### **Talent War**

Finding and retaining the best talent is the most difficult aspect of HR management, HR survey consultancies are one in their view that organizations globally are facing a dearth of talented employees and it is often more difficult to retain them. Further research has also shown that there is clear link between talent issues and overall productivity.

#### **Technology and Talent Management**

Technology is increasingly getting introduced into people development. Online employee portals have become common place in organizations to offer easy access to employees to various benefits and schemes. In addition, employees can also manage their careers through these portals and it also helps organizations understand their employees better.

#### **Promoting Talent Internally**

An individual is hired, when there is a match between his abilities or skills and the requirements of the organization. The next step is enabling learning and development of the same so that he/ she stays with the organization. This is employee retention. An enabled or empowered means - an empowered organization. It is also of interest to organizations to know their skills inventories and then develop the right individual for succession planning internally.

#### **Population Worries Globally**

World populations are either young or ageing. Country like India can boast of a young population in the coming and present times. Population demographics are thus a disturbing factor for people managers. Still more researches have predicted that demographic changes in United States will lead to shortage of 10 million workers in the near future.

#### **Talent Management to Rescue HR**

HR has been compelled to focus on qualitative aspects equally and even more than quantitative aspects like the head count etc. Through talent management more effort is now being laid on designing and maintaining employee scorecards and employee surveys for ensuring that talent is nurtured and grown perpetually.

#### **Increase in Employer of Choice Initiatives**

An organization's perceived value as an employer helps improve its brand value in the eyes of its consumer. Most importantly it helps to attract the right talent.

**Five Rule to Manage Talent**

The recession of 2008-2009 and onwards economic conditions have forced many organisations to re-examine their talent management approach. Leading companies have begun to account for all the different dynamics of talent that are affecting them now and that are anticipated to influence them in the future. They have systematically changed their approaches to reflect the coming reality of the next five years. The following five rules have been defined to manage talent:

**Rule 1: There's never enough money. Invest differently to optimize results.**

There is never enough money in good times and bad. Instead of spreading the wealth evenly, employers need to segment their talent pools and invest differently in each segment. Segmentation makes it easier to concentrate your money where it makes the most difference.

**Rule 2: If it doesn't measure business impact, it is just a distraction**

Companies need to measure outcomes whether in production, sales or talent management that affect business success. Shifting to this measurement-driven approach is fundamental to ensuring that talent management makes a real difference in the organisation.

**Rule 3: Let the numbers drive talent decisions. Most talent decisions are made on gut instinct.**

Not only are there few systems out there with good data on recruitment, promotion and job performance, but also the management culture in many organisations permits an intuitive approach to hiring. Statistics about washouts among new recruits, failure of newly promoted executives and other human capital challenges abound, but many firms still lack systematically embedded, empirically based selection and promotion practices. Collecting talent data and creating profiles is not an overnight process. Leading companies have been collecting this information for four or five years now, and they are just starting to get data that are good enough to base decisions on. But the results are worth the wait.

**Rule 4: Build adaptable skills. Prepare future leadership for any situation.**

The trend to build adaptable skills has been in the works for some time, but the reasons behind the trend have been greatly solidified by the current financial crisis. For decades, talent searches focused on generic leadership skills: driving results, overcoming adversity and demonstrating superior communication abilities. During the recession, companies quickly learned that almost everyone could communicate. More important, while communication skills might help employees be more effective in their job, other competencies and skills have a more direct effect on business results.

**Rule 5: Simplify performance management, and measure impact instead of goals many companies ask where to begin when redeveloping talent management.**

There is an obvious connection between getting day-to-day performance right and driving better company results - critically important in today's economic environment. What's more, goal setting and performance management are the two most direct ways for management to communicate with employees about objectives. Performance management also helps clarify an employee's role, while focusing employee development on competencies that determine the organisation's success. Finally, by linking reward outcomes to individual performance, effective performance management allows employers to realize their philosophy surrounding pay for performance.

**Conclusion**

It is extremely important for every organization to identify and utilize the talents of its employees to gain competitive advantage. Every organization/ sector today has taking several steps like initiative of internal training, external training to develop and retain talented employees. Top Management also believes on the principle of "Employee First". The HR should take "Talent Management" and culture building measures which should lead to employee delight, which in turn will lead to the Customer Delight. This is the ultimate goal of every business organization.

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, such as mergers, company growth, or a decrease in talent needs. In the same way that all companies have regular meetings and reports regarding their financial status and budgetary needs, the Talent Review Meeting is designed to review the current talent status and future successor needs in the organization.

The Talent Review Meeting is an important part of the overall talent management process; it is designed to review the performance and career potential of employees, to discuss possible vacancy risks of current employees, to identify successors and top talent in the organization, and to create development action plans to prepare employees for future roles in the organization. Talent management is all about gathering information about talent, analyzing their career interests and organizational business needs, identifying top talent and successes, and developing these individuals to reduce the risk of losing the best people and experiencing extensive leadership gaps when turnover occurs.

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