

TALENT MANAGEMENT



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Abstract

Talent management is a term that emerged in the 1990's to incorporate developments in Human Resources Management which placed more of an emphasis on the management of human resources or talent. The term "Talent Management" means different things to different organizations. To some it is about the management of high-worth individuals or "the talented" whilst to others it is about how talent is managed generally - i.e. on the assumption that all people have talent which should be identified and liberated. It refers to the skills of attracting highly skilled workers, of integrating new workers, and developing and retaining current workers to meet current and future business objectives. Talent management is also known as HCM (Human Capital Management).

Talent management is a complex collection of connected HR processes that delivers a simple fundamental benefit for any organization. The issue with many companies today is that their organizations put tremendous effort into attracting employees to their company, but spend little time into retaining 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, 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. Divisions within the company should be openly sharing information with other departments in order for employees to gain knowledge of the overall organizational objectives. Companies that focus on developing their talent integrate plans and processes to track and manage their employee talent, including the following:

- Sourcing, attracting, recruiting and on boarding qualified candidates with competitive backgrounds
- Managing and defining competitive salaries
- Training and Development opportunities
- Performance Management processes
- Retention programs
- Promotion and Transitioning

Keywords: Human Capital Management (HCM), Performance Management, Transition, Talent Review

Talent Management

One of the major problems faced by many companies in today's fast paced market is how to grasp and retain labor that is of the best caliber. In the highly competitive business environment, the best talent quickly gets swept up by employers eager to strengthen the quality and efficacy of their workers. That's why it is important for a company to stay on track by utilizing the best talent management programs available. Indeed, a successful venture will place a high priority on the organization of labor pools and the effective regulation of human capital resources. Not only will the company pick up the right people to work for it, but also it will engender a sense of loyalty among its employees...

A conscious, deliberate approach undertaken to attract, develop and retain people with the aptitude and abilities to meet current and future organisational needs. Talent management involves individual and organisational development in response to a changing and complex operating environment. It includes the creation and maintenance of a supportive, people oriented organisation culture.

Current Application of Talent Management

Talent management is a complex collection of connected HR processes that delivers a simple fundamental benefit for any organization. During the agricultural age, the economy was based on land, a truly physical and very tangible asset. The industrial age followed with a manufacturing-driven economy. Higher business performance was derived through the most effective use of factories and distribution networks. The knowledge age moved the basis of economic value to information assets through integrated communications and computer technology. Now the competitive battlefield is for the best people because they are the true creators of value. Talent management is the strategy.

Why Talent Management?

Workforce cost is the largest category of spend for most organizations. Automation and analysis of your recruiting and hiring processes provides the immediate workforce visibility and insights you need to significantly improve your bottom line. Performance management provides the ongoing processes and practices to maintain a stellar workforce. Today, many organizations are struggling with storage tower of HR processes 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 competitive business factors have become commoditized, talent is what ultimately drives business success and creates value. Leading organisations rely on solutions and services to assess, acquire, develop, and align talent with business objectives while significantly reducing process costs, improving quality of hire, reducing risk, and achieving higher levels of performance.

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

- The key enabler of any organization is talent.
- The quality of the people is the last true competitive differentiator.
- Talent drives performance.

Talent management requires strong executive support, along with systems 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.

Human Capital Management

Talent management is also known as HCM (Human Capital Management). Human capital refers to the stock of competences, knowledge and personality attributes embodied in the ability to perform labour so as to produce economic value. It is the attributes gained by a worker through education and experience. Many early economic theories refer to it simply as workforce, one of three factors of production, and consider it to be a homogeneous and easily interchangeable. Other conceptions of this labour dispense with these assumptions.

- HCM boosts the organisation's performance by improving:
- Human Resources—Optimize the entire recruit-to-retire process.
- Benefits Administration—Manage any assortment of benefit plans without compromising security.
- Flexible Spending Accounts—Offer flexible, easily managed benefits programs.
- Compensation—Set sensible, competitive pay policies.
- Payroll—Automate the entire payroll and tax process.

Talent management is the implementation of integrated strategies or systems designed to improve processes for recruiting, developing and retaining people with the required skills and aptitude to meet current and future organizational needs. Talent management is performance management, incentive compensation, or talent acquisition. Our modern service and knowledge economies in the talent age require a broad and holistic view. A high performance business depends on a wide range of talent. Analyst research has proven that organizations using talent management strategies and solutions exhibit higher performance than their direct competitors and the market in general. From Fortune 100 global enterprise recruiting and performance management to small and medium business eRecruiting, leading companies invest in talent management to select the best person for each job because they know success is powered by the total talent quality of their workforce. Talent management requires strong executive support, along with systems 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.

Importance of Talent Management

Talent Management (TM) brings together a number of important human resources (HR) and management initiatives. Organisations that formally decide to "manage their talent" undertake a strategic analysis of their current HR processes. This is to ensure that a co-coordinated, performance oriented approach is adopted. Quite often, organisations adopting a TM approach will focus on co-coordinating and integrating:

- Recruitment - ensuring the right people are attracted to the organisation.
- 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.
- Culture - development of a positive, progressive and high performance "way of operating".
- Promotion and Transitioning - development in responsibilities and challenges

Performance Management

Performance Management is the systematic process by which an agency involves its employees, as individuals and members of a group, in improving organizational effectiveness in the accomplishment of agency mission and goals.



Employee Performance Management includes:

Planning work and setting expectations, continually monitoring performance, Developing the capacity to perform, periodically rating performance in a summary fashion, and Rewarding good performance.

In effective organizations, managers and employees have a practice of good performance management naturally all their lives, executing each key component process well. Goals are set and work is planned routinely. Progress toward those goals is measured and employees get

feedback. High standards are set, but care is also taken to develop the skills needed to reach them. Formal and informal rewards are used to recognize the behavior and results that accomplish the mission. All five component processes working together and supporting each other achieve natural, effective performance management.

Promotion and Transitioning

Some people are fortunate enough to be promoted and put into a higher level position. When this change involves the supervision of other workers, it can be a difficult transition. Companies need to grow talent internally and insure smooth management transitions. And the reality is that some industries are disproportionately affected by talent shortages (such as healthcare) and may have no other choice than to promote an employee who is truly not ready to handle the position.

Leadership transitions occur when leaders' responsibilities, skills and priorities change, as a result of promotion from one level to the next. These transitions represent major changes in orientation of what people believe is important, how they allocate their time and what aspects of the job they draw satisfaction from. They require some degree of personal transformation if the leader is to fully achieve at his or her new level.

Role of Transisiton

Office politics plays a big part in the transition anxiety cocktail. It ranks top at first and mid-level leadership, with almost half of first level leaders and one-third at level two saying that they have been unable to address this challenge effectively. While senior level leaders rate politics as the fourth most difficult challenge it remains the toughest to overcome and is most often cited as that which they are least able to effectively address.

Those surveyed also face major challenges in establishing a new network appropriate to their level, with senior leaders rating this as their primary challenge and one third of first and mid-level leaders reporting that they have not been able to overcome this effectively.

All leaders rate the ability to adjust to getting work done through other as being in their top 3 most difficult, and one fifth of first levels and senior leaders claim that they still struggle to master this. It seems that the top performers (whom we typically promote) are most likely to struggle with relinquishing 'doing' and trusting others to do equally well.

Retention

7 Tips for Retaining Top Talent Without Hurting New Manager, Employees and the Company

1. Develop a succession plan for the company. This means get committed to a process or structure of internal management and talent development.
2. Identify individuals within the organization who have the potential to move into leadership positions. Not all high potential candidates initially present an outgoing and aggressive demeanor
3. Provide the identified individuals with opportunities to take on additional projects to demonstrate their skills as well as their ability to learn and grow.
4. Provide new managers with an internal mentor and an external coach to insure support during the transition process. This support should be for at least six months to one year. This process is referred to as: "Transition Integration".
5. All the new managers should be given a personality and job performance assessment. This is a valuable tool in identifying emerging leader attributes and potential risk areas.

6. All candidates should be provided with self-assessment tools and learning opportunities. This can be done both within the organization in the form of added responsibilities and through outside learning opportunities such as conferences and executive education programs, professional memberships.
7. The new manager's progress should be monitored (through the supervisor and mentoring and coaching support) and the succession plan to be reviewed each year. The success of the current program and the individuals in the program should be evaluated. Improve where necessary and identify and support new leadership candidates.

Talent Management - Strengths and Weaknesses

Apart from achieving the intended goal of boosting employee competency and reducing the turnover of skilled personnel, HR talent management helps organizations boost their revenue and product quality, improve customer satisfaction, and improve process efficiency. Effective utilization of talent and focusing on retaining skilled employees helps to cut costs.

Two major risks associated with a talent management program are:

- The possibility of the skilled employee leaving the organization for greener pastures after the organization puts in the hard work of developing the employee's talent.
- Risk of discontent and demotivation among employees overlooked for various talent management programs.

The success of HR talent management initiatives depend on support at all levels within the organization, and a culture of openness to share information and knowledge. The responsibility for talent management of skilled employees is not with the human resource department, but rather with managers and supervisors.

Talent Review

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. "This is what 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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