TALENT MANAGEMENT
Kanuj Agarwal

HOW TO CIT THIS ARTICLE:

ABSTRACT: Traditionally, talent management referred exclusively to the development and replacement of top executives. Now a days, there is recognition that attracting and retaining talented employees should take place on all levels within the organisation. Companies are continuously investing in human capital. HR leaders are closely associated with higher management to attract, hire, develop and retain talent. As talent crosses borders in view of workforce trends such as shifting demographics, global supply chains, the aging workforce and increasing mobility. (1) Organisations must rethink their approach to talent management to best harness talent. Strategy, organisational culture, change management, employee engagement and leadership development these terms are used by HR Personnels for management. By doing so and taking these factors into consideration, an integrated approach to talent management offers a pathway towards sustaining outstanding business results. (2)


INTRODUCTION: In today's challenging business environment of going global and competition becoming intense, organizations have mounting pressure to perform better than before. Over the years, creation and preservation of knowledge has become a key tool in accelerating competitiveness and enhancing organizational capabilities to respond to market changes, wherein employees' skills and personalities are appropriately deployed to optimize performance, is a critical and difficult task. (3)

Furthermore, identifying and developing executives who have leadership potential, like every other vital strategic function, is a demanding process that is equal parts of Arts and Science (Judy Klein and Stephen A. Miles, 2003). To carry out this mission, organizations should develop and deploy talented people who can articulate the passion and vision of their organizations. Though operating excellence, technical competence, marketing savvy, energy and drive are always important, talent-intensive organizations also require soft skills that facilitate execution across departments.

"It is nearly unanimous that HR can and should add more value to corporations. The best way to do this is by being a business partner by directly improving the performance of the business. This can be accomplished by effective talent management, helping with change management, influencing strategy and a host of other value-added activities that impact effectiveness." (4) Talent management is a primary driver for organizational success. Broadly defined, talent management is the implementation of integrated strategies or systems designed to increase workplace productivity by developing improved processes for attracting, developing, retaining and utilizing people with the required skills and aptitude to meet current and future business needs. (5)
### Table 1: Differences in operationalization of HRM according to Talent Management perspective

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As a concept in itself, talent management is actually quite difficult to define. It can be viewed from a number of perspectives, all of which give a different interpretation to the same activities within different organisations. The implications of each perspective on the development of the future leader could be quite stark. Above table summarized how the five different perspectives are operationalised differently through HR practices.\(^6\)

Firstly, there is the process perspective in which all people management processes are needed to optimize people within an organisation (Farley, 2005). This perspective would put all the systems in place to enable a talented individual to carve out their career and succeed in their chosen organisation. Provided they meet the competency requirements and performance requirements that the process requires, they will move forwards. This could be one way of achieving the ‘talent market’ idea recently espoused by McKinseys (Bryan, Joyce, & Weiss, 2006) where individuals are expected to find the best opportunities for themselves, within the organisation. This is supported by an IT system to open up a nonprice-based competition across a range of candidates and job alternatives that silo mentality would previously have kept hidden.\(^7\)

Next is the cultural perspective that holds that talent management is a mindset (Creelman, 2004), where talent is believed to be critical for success (Michaels, Handfield-Jones, & Axelrod, 2001). Here talent is king and talented people can thrive or falter on their own merit. The opportunities are greater for the entrepreneurial. There are not the rules and processes to be adhered to for promotions that occur in the process perspective. In organisations playing by these rules, talented individuals have all the rope they need to either hang themselves or prove their competence and worth. This is perhaps the least structured approach to talent management and suits the mavericks in the workplace.\(^8\)

Thirdly there is the competitive perspective where talent management is concerned with identifying talented people, finding out what they want, and giving it to them – if not, your competitors will (Woodruffe, 2003). This is the perspective typically held by the large consultancy businesses or PR/advertising businesses. In industries such as PR, where Ashridge Business intellectual property is everything and accounts move when people do, finding a way to keep the most talented is everything (Bannister, 2005). This approach would tend to appeal to perhaps the most ambitious, or those who have chosen to work within industries where rewards are considered the greatest measure of one’s achievement.

Next is the developmental perspective, which proposes talent management is about accelerated development paths for the highest potential employees (Wilcox, 2005). Here the organisation wants to ‘lock in’ employees by targeting recruitment at entry level to the organisation and then developing and promoting from within to maximize opportunities for high potentials. This perspective is the closest to reverting to the ‘old psychological contract’ of a job for life where your employer looks after your career.\(^9\)

Finally there is the more general HR planning perspective which claims talent management is about having the right people matched to the right jobs at the right time, and doing the right things (Mucha, 2004). This is generally supported by a very sophisticated IT system which maps out various different scenario options and future possibilities as people are moved round the company like a game of chess.

**The role of HR in Managing:** HR plays a role as a trainer, coach, facilitator for managers to ensure that talent management excellence is the core part of how the organisation does the business. HR is the
driver of talent management as basically HR works closely with the CEO and senoir management to ensure that they are communicated to talent management work.\(^{(10)}\)

Close attention is required by the HR to know how the organisation’s culture support talent. HR also plays a role of change management. To drive this change, HR addresses four diverse talent management activities: recruitment, performance management, leadership development and organisational strategy. In this role HR manages four 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);
4. **Portfolio risk** (To maximize strategic talent leverage, focus on senior management’s commitment to development and performance standards).

Finally, proactive HR leaders take a holistic approach to talent management. It is important to establish clear expectations 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.\(^{(11)}\)

**Drivers for Talent Management:** In these days competition is high in the market and the main source for Talent Management is the demand of human capital. Basically talent management focuses on five points: attracting, selecting, engaging, developing and retaining employees.\(^{(12)}\) The trend these days workforce follows is also the driver for talent management strategies. Different generations working together, increasing global and virtual workforce, empowered and autonomous workforce have forever changed the workplace. Demographic changes like from age to gender, lifestyle, migration and cultural norms are also responsible.

Manpower planning plays pivotal role, if companies are anticipating shortage of skills in the coming years then it also drives talent management as everyone is focusing on achieving profits. All the organisations, industries and professions will not experience a lack of skills as some are already competing for talent. Large organisations are more concerned about the talent management then small and medium organisations.\(^{(13)}\)

Business strategies also drives talent management as with the globally growing need and to achieve expertise in their field. For example Ford Company links competency development to its organisational strategic goals. At the corporate branding which allows the firms to link their brand to employees and corporate behaviour also drives talent management.

**Talent Management: Emerging Trends:** Companies that are excel at talent management ensure internal consistency, complementarity and reinforcement of the practices they employ to attract, select, develop, evaluate and retain talent. A high level of external, internal and strategic fit creates an inimitable system of practices and not only drives excellence in talent management but also contributor to organisational learning and knowledge management. Companies must balance the tension between effective decision making and implementation at local level versus standardized systems and processes at the global level.
These companies thus achieve a competitive advantage because they design and implement “best” practices but rather because they guarantee various elements of their talent management are aligned internally, externally and globally to support their business strategy and operating mode.

CHALLENGES OF TALENT MANAGEMENT:

Leadership Effectiveness: Leaders have the largest impact on how well employees are working toward achieving the organization’s business strategy and goals. Unfortunately most organizations hire and promote their talent into leadership roles these days without any formal leadership development, coaching and training. These new leaders are just not appropriately equipped with the insight, knowledge and tools to be truly effective.

Recent research has found that high-performing organizations those with the greatest growth in revenue, market share, customer satisfaction and profitability were twice as likely as low market performing organizations to involve their frontline managers in the design, development and execution of talent-management strategies. In other words, involving managers in all aspects of talent management was highly correlated to better market performance. Additionally, these high-performing companies were three times more likely to say that their frontline leaders were highly involved in leadership, career, and high-potential development.\(^{(14)}\)

Talent Acquisition: Organizations are continuing to struggle with hiring and managing their talent effectively. Most corporate recruitment and talent functions are reactive and rarely are future focused. These functions aren’t aligned to their organization’s business strategy, aren’t part of a formal organizational talent strategy and in fact seldom even communicate with each other.

Organizations must be self-aware and understand their true functional capabilities within Recruitment and Talent Management. An organization which isn’t effective in managing and developing their own talent will need to rely more on hiring new talent to fulfill the talent requirements of the business strategy. The organization must understand the limitations of their talent functions and make the appropriate decision to either invest quickly in resolving their functional deficiencies or work around the deficiencies.\(^{(15)}\)

Developing Manager Capability: Many HR functions have spent the past few years transforming themselves to be HR Business Partners. Unfortunately within many organizations this change was in name only with HR simply renaming their HR Generalists, Managers and Directors as HR Business Partners. These same HR professionals who were HR Managers one day were given the new title as an HR Business Partner. It was merely a window dressing exercise as organizations were seldom training, coaching, developing and equipping their HR talent with the capabilities and tools to walk, talk and deliver as a true HR Business Partner.\(^{(16)}\)

One of the most common complaints about HR is that many professionals lack the forward thinking, strategic advisory focus needed to be an effective business partner. They don’t spend the time to understand the business they support and focus more on transactional HR activities that don’t have the impact the business desires.\(^{(17)}\) HR Business Partners need to be trusted advisors to the businesses and leaders they work with. They need to be effective coaches and remain aware of their critical role as to effectively assess workforce capabilities and enable planning for future needs. HR must be focused on becoming a trusted advisor to their business to empower managers to drive improved organizational performance.
Retaining High Performers: While organizations focus on reducing employee overheads and sacking those who are unessential in the shorter run, it also spreads a wave of demotivation among those who are retained. An uncertainty about the firing axe looms in their mind. It is essential to maintain a psychological contract with employees those who have been fired as well as those who have been retained. Investing on people development in crisis is the best thing an organization can do to retain its top talent.

Global survey reveals that Talent Management Challenges for Rapid Growth Market Multinationals: Emerging market multinationals are struggling to build effective international management teams as they grapple with cultural differences, conflicting internal perceptions of talent management, difficulties in balancing global and local talent, and a lack of a reliable leadership pipeline.

The majority of respondents to the survey lack confidence that their organisation has or can build an effective international management team. Just one in five (20%) believe their company manages talent effectively across all markets. Less than a third of respondents polled agree that their top management team has an international outlook on decision making (28%) and the same number say their top management team has sufficient work experience outside of their home country.

The two main knowledge gaps in top management teams are an awareness of local culture (51% say this is where top management need more insight) and an understanding of global markets (50%). Only one in five (18%) say their company achieves the right balance between local talent and expatriate managers in international markets.

Other key management challenges revealed in the survey include:

- A lack of an internal management pipeline forces companies to recruit from rivals.
- Companies are unable to retain and reward high performers in different markets.
- C-suite leaders and lower-level managers hold conflicting views on talent management.

Looking into the Future: Organisations need to anticipate workforce changes and cost effective ways as these are the keys to manage talent. Managers have to focus on customized and personalized rewards, distributed and influential leadership and compassionate workplace cultures for managing talent. Strategic decision making can be monitored through predictive workforce.

To attain benefit from the knowledge skills and corporate memory of mature workers, phased retirement will become relevant. Keeping workers engaged- Particularly the next generations may call for HR to redesign the work, benefit packages and reward programs.

At the end for the survival organisations have to reinvent and rethink their approaches for effective talent management and for it they need strong participatory leadership and employee engagement. It will simultaneously help them to positioned for long term growth.

REFERENCES:


### RESEARCH ARTICLE

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