Talent Management:
An emerging Human Resource Concept

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Abstract

We are now entering a new era: the emergence of "Talent Management." While strategic HR continues to be a major focus, HR and L&D organizations are now focused on a new set of strategic issues: How can we make our recruiting process more efficient and effective by using "competency-based" recruiting instead of sorting through resumes.

Talent management is also known as HCM (Human Capital Management), HRIS (HR Information Systems) or HRMS (HR Management Systems), and HR Modules.

Organizations are made up of people: people creating value through proven business processes, innovation, customer service, sales, and many other important activities. As an organization strives to meet its business goals, it must make sure that it has a continuous and integrated process for recruiting, training, managing, supporting, and compensating these people.

This paper strives to understand the Talent Management as an emerging concept and seeks to understand its objectives, process, and critical success factors.
1.1 Introduction

The 21st century brings a unique and unprecedented set of challenges and potential opportunities for organizations. The competitive landscape is increasingly global in scope. Today, even small or midsize companies are challenged to compete on a global scale. The number of multinational corporations has doubled since 1990\(^1\). Growth opportunities are more prevalent in developing regions of the world where the middle class and new consumers are emerging rapidly. In fact, the global middle class is expected to grow by 172 percent from 2010 to 2030\(^2\). At the same time, there are shifts in the available talent pool and workforce demographic.

An aging demographic in the West is yielding to higher proportions of college graduates coming from Latin America, Russia, and Asia. Individuals are being asked to do more with less, but they also have higher expectations for their employers and are more mobile than previous generations. Consumers also have higher expectations, and the companies that make the best use of technology and data analytics to better understand their customers and break down barriers will win\(^3,4\). The pace of market growth, the speed of innovation, and ever-changing demographics create more opportunities to both create and extract value, but it’s often more difficult to pinpoint those opportunities and act upon them.

So, how do companies compete in this increasingly complex and changing environment? One of the central differentiators for companies is a sound business strategy. Leaders who are adept at creating winning strategies

\(^{3}\) Canton, J., Global Futures Forecast 2013: The Top Trends That Will Shape the Coming Year, Institute for Global Futures (2013).
\(^{4}\) Ernst & Young, Tracking Global Trends: How Six Key Developments Are Shaping the Business World (2011).
make an integrated set of choices regarding issues such as where the business will be active, how to get there, how to win, the specific actions and moves, and the model of profit generation\(^5\). A business strategy articulates the direction a business will pursue and the steps it will take to achieve its goals. A good strategy has at least three characteristics: it creates value, it’s unique, and it cannot be imitated\(^6\).

Talent Management focuses on all aspects of Human Resource Development is on developing the most superior workforce so that the organization and individual employees can accomplish their work goals in service to customers. Organizations have many opportunities for human resources or employee development, both within and outside of the workplace.

Taking these factors into consideration, an integrated approach to Talent management offers a pathway toward sustaining outstanding business results.

**1.2 Objectives and Research Methodology**

**Objectives of study:**

1. To assess the role of Talent Management in Industry.

2. To analyze the Talent Management Process

3. To find out the critical success factors of Talent Management.

**Research Methodology**

It is always important to be critical of the information presented in sources, especially since the material might have been gathered to address


a different problem area. Moreover, many secondary sources do not
clearly describe issues such as the purpose of a study, how the data has
been gathered, analysed and interpreted making it difficult for the
researcher to assess their usefulness. In order to address this problem I
have tried to triangulate the secondary data by using numerous
independent sources.

The information about the problem is collected from the Libraries,
CD-ROM databases and the Internet. The literature on evaluating ‘HR
Policies’, I have focused on as recent material as possible. In order to get
access to the latest developments in this area I have used a number of
articles published in academic journals and trade magazines. We have also
used secondary information from Internet based discussion forums, ‘HR
Policies’ campaign information from investors and some company specific
material.

1.3 Findings and Conclusions

Miss. Shruti Ashok Naik (2012)\(^7\) in her report describe the Talent
management, it would be apt to understand the word —Talent. Talent in
general terms refers to the capabilities, skills or the art, a person possess
in a particular field. It also refers to those people who have high
potential, scarce knowledge and skill or who can successfully bring about
transformation and change in the organization. Such individuals are
usually sought after in the market and their contributions to the business
add direct value to its strategic or competitive positioning.

According to Leigh Branham, Vice-President, consulting service at Right
Management Consultants and author of the book says, —Keeping People
Who Keep You in Business, a talent is not rare and precious. Everyone

\(^7\) MISS. SHRUTI ASHOK NAIK (2012), “Impact of Talent Management on The Performance of
an Organization with Special Reference to ABG, Pipavav, Bharati Shipbuilding Industries” A
Report.
has talent – too many to possibly name all. Talent is behavior; things we do more easily than the next person. We speak of —natural born talent but those with a gift, knack, ability or flair for something can refine and develop that talent through experience. Talent, however, cannot be taught.

**Objectives of Talent Management**

After all the main aim of talent management process is to hire the best people from the industry.

i. **Recruiting the Talent**: The actual process of hiring starts from here. This is the stage when people are invited to join the organization.

ii. **Selecting the Talent**: This involves meeting with different people having same or different qualifications and skill sets as mentioned in job description. Candidates who qualify this round are invited to join the organization.

iii. **Training and Development**: After recruiting the best people, they are trained and developed to get the desired output.

iv. **Retention**: Certainly, it is the sole purpose of talent management process. Hiring them does not serve the purpose completely. Retention depends on various factors such as pay package, job specification, challenges involved in a job, designation, personal development of an employee, recognition, culture and the fit between job and talent.

v. **Promotion**: No one can work in an organization at the same designation with same job responsibilities. Job enrichment plays an important role.
vi. **Competency Mapping**: Assessing employees’ skills, development, ability and competency is the next step. If required, also focus on behaviour, attitude, knowledge and future possibilities of improvement. It gives you a brief idea if the person is fit for promoting further.

vii. **Performance Appraisal**: Measuring the actual performance of an employee is necessary to identify his or her true potential. It is to check whether the person can be loaded with extra responsibilities or not.

viii. **Career Planning**: If the individual can handle the work pressure and extra responsibilities well, the management needs to plan his or her career so that he or she feels rewarded. It is good to recognize their efforts to retain them for a longer period of time.

ix. **Succession Planning**: Succession planning is all about who will replace whom in near future. The employee who has given his best to the organization and has been serving it for a very long time definitely deserves to hold the top position. Management needs to plan about when and how succession will take place.

x. **Exit**: The process ends when an individual gets retired or is no more a part of the organization.

**Talent management Process**

Organizations are made up of people creating value through proven business processes, innovation, customer service, sales, and many other important activities. As an organization strives to meet its business goals, it must make sure that it has a continuous and integrated process for recruiting, training, managing, supporting, and compensating these people.
Workforce Planning: Integrated with the business plan, this process establishes workforce plans, hiring plans, compensation budgets, and hiring targets for the year.

Recruiting: Through an integrated process of recruiting, assessment, evaluation, and hiring the business brings people into the organization.

On Boarding: The organization must train and enable employees to become productive and integrated into the company more quickly.

Performance Management: By using the business plan, organization establishes processes to measure and manage employees. This is a complex process in itself.

Training and Performance Support: Of course this is a critically important function. Here we provide learning and development programs
to all levels of the organization. This function itself is evolving into a continuous support function.

**Succession Planning:** As the organization evolves and changes, there is a continuous need to move people into new positions. Succession planning, a very important function, enables managers and individuals to identify the right candidates for a position. This function also must be aligned with the business plan to understand and meet requirements for key positions 3-5 years out. While this is often a process reserved for managers and executives, it is more commonly applied across the organization.

**Compensation and Benefits:** Clearly this is an integral part of people management. Here organizations try to tie the compensation plan directly to performance management so that compensation, incentives, and benefits align with business goals and business execution.

**Critical Skills Gap Analysis:** This is a process we identify as an important, often overlooked function in many industries and organizations. While often done on a project basis, it can be —business-critical." For example, today industries like the Federal Government, Utilities, Telecommunications, and Energy are facing large populations which are retiring. How do you identify the roles, individuals, and competencies which are leaving? What should you do to fill these gaps? We call this "critical talent management" and many organizations are going through this now.

**Critical Success Factors of Talent Management Strategy**

**Alignment to Corporate Strategy**

Ensuring that the talent strategy is closely aligned with the corporate strategy must be a priority. In developing a talent strategy, both internal
and external factors should be taken into account, including factors influencing talent management. Strategic analysis from the business perspective should feed into an HR forecast which can help shape an organization’s tailored approach to talent management. Often organizations are at different stages of talent management strategy development. Research suggests that for a number of organizations there was a desire to progress through the stages highlighted in following figure making the transition to a more formal, strategically-integrated approach.

**Inclusive versus Exclusive Approaches:**

Some organizations adopt an inclusive approach to talent management creating a —whole workforce approach to engagement and talent development, while others develop a more exclusive focus segmenting talent according to need. Regardless of which approach organizations adopt, fairness and consistency must be applied in all talent management processes. Diversity considerations must also be built-into talent management processes to ensure that organizations are able to draw from the widest pools of talent possible.

**Involving the Right People**

Careful considerations need to be paid to involving the right stakeholders in the talent management strategy. Clearly, HR specialists have an important role to play in providing support and guidelines in the design and development of approaches to talent management that will fit the needs of the organization.

**1.4 Conclusions**

An organization’s talent management strategy and investments must align with broader business goals and realities. A deep understanding of business issues must include how workforce can best be managed. Companies must create the culture and programs that
will best engage and motivate talent in organization. Successful organizations have a deep understanding of their employees and their evolving needs. They use that information to drive the practice of workforce segmentation and the creation of meaningful employee value propositions that align with talent management strategy. Strategic talent management is essential in building the right workforce. HR Managers must have the ability to rapidly train and retrain employees according to business need, create opportunities for new talent, there are several benefits of a strategic talent management process. It gives organization a committed workforce, trained employees, Lower attrition rate, It helps in improving HR policies of the company and prepares the organization to Adapt changes.

References


