TALENT MANAGEMENT, TODAY’S CHALLENGES: TOMORROWS OPPORTUNITIES

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ABSTRACT

In today’s rapidly changing business environment, it’s no surprise that organizations find themselves in a stampede to get the best talent on the job market. This pursuit for talent is to ensure that organizations build sustainable talent and skill pipelines critical to consolidate their competitive posture in the market. Interestingly, talent markets are also rapidly evolving in terms of their profiles, demographics and general dynamics. In some cases, talent shortage has meant that talent markets become a job-seekers market leading to high premiums in salary packages to attract or retain key talent. Companies today face formidable talent challenges. The ability to sustain a steady supply of critical talent is a challenge facing all organizations — worldwide. Among the issues impacting the “next generation” workforce are impending skill shortages, an increasingly cross-generational and diverse workforce, the need for knowledge transfer from retiring baby boomers, and significant leadership gaps. Intense cost pressure from both traditional and emerging competitors, new markets, and more demanding customers are additional elements that give a new sense of urgency to the concept of talent management. Today’s fast-paced, global business environment, coupled with the ever growing challenge of a rapidly changing workforce, requires a well-planned, rigorous approach to talent management. Fortunately, both HR and business leaders recognize that talent is a critical driver of business performance. It comes as no surprise then that talent management practices are often cited as a key strategic priority. However, the execution of these practices is where companies often fall short.

The paper attempts to understand all the complexities and challenges of talent management that need to be faced by the companies to build a solid foundation for the future. Talent management is a rich source of value addition to HR professionals as it puts them in role of business partners rather than being seen as glorified administrative pen pushers.
The term “Talent management” has received much academic and practitioner attention since McKinsey published the paper “war of talent” in the late 1990’s. Global multinational companies now concentrate on talent management, not just to create a pipeline of talent for responding to shifting demographics and workforce flexibility but also to revitalize and retain their existing talent. This will enable MNCs to align workforce planning with their business objectives such as entering into new partnerships, adapting new technologies and globalizing their operations on a large scale. Firms have started to realize that more than offering competitive prices, capturing niche markets and developing new products, a highly talented and engaged workforce is something that competitors cannot replicate so easily. Talent management is clearly the key to survival and sustainable competitive advantage in the fiercely competitive market of this globalized era. Talent management brings together a number of important human resources and management initiatives. Organizations that, formally decide to manage their talent undertake a strategic analysis of their current HR process. Talent management approach is adopted and focused on coordinating and integrating the following.

Recruitment: ensuring right people are attracted to the organization.
Retention: developing and implementing practices that reward and support employees.
Employee development: ensuring continuous formal and informal learning and development.

It has been increasingly recognized that the quality and sustainability of any organization’s performance depends on the talent it possesses. Talent management thus becomes a vital area for the promoters, directors and top management team of any company. The first and important step relates to the recruitment process, since an employee who is not suited to the company or the position or is brought in without a proper job description and a slot in the structure, can become a long term liability.

Current talent scenario

The law of demand and supply is also applicable to human resources. During recession companies resorted to downsizing to recover the losses. During expansion companies face the problem of not having enough talent, leading to talent crunches. These contextual factors have often trapped companies in a vicious circle of shortages and surpluses of talent, where in organizations faced a constant need to strike the right balance and set off both the extremes. Now HR professionals are expected to not only identify and attract relevant talent, but are also expected to nurture, groom and retain it to effectively achieve the organizational objectives. This made HR manager to find innovative ways to effectively manage and win this war of talent.

Why talent is the need of the hour

The reasons that make talent management a vital cog in the growth wheel of organizations are

a. Cost constraints

b. Unavoidable perils—always a lurking danger that the talent pool may leave the organization despite all the measures being taken to ensure its sustenance in the long run.
Do you have the right talent in your organization?

The blunt answer for many of America's largest enterprises is: "Not yet" — and the reasons are striking.

At a talent-management meeting on March 17-18 in Coronado, California, experts from companies such as Cisco, Gap, Toyota, Wal-Mart and Oracle gathered to share perspectives. During formal remarks at the Conference Board event, most speakers did their best to stay upbeat. But a different story emerged in the hallway chatter between sessions. Over coffee and muffins, attendees swapped wry stories of what it's like — even in a recession — to be battling a "talent problem." Hospital executives fretted about internal talent pipelines that keep producing the wrong kinds of leaders. Retailers fumed about promotion paths clogged with lackluster managers who can't be moved. And all sorts of attendees owned up to jitters about how well their companies' leaders can truly promise. How bad is it? Talent-management consultant Marc Effron hardly raised eyebrows at the conference when he unveiled a fresh survey with the following sober statistics:

- 18% of companies claim to be winning the war for talent.
- 72% portrayed it as an endless struggle in which they were neither gaining nor losing ground.
- 10% declared that the war for talent was winding down in defeat for their enterprise

We aren't sure what we're looking for. Even in the best-run organizations, there's always something a bit mysterious about "talent." When companies set ambitious goals but can't spell out a precise roadmap for achieving them, they usually end up hoping that an extra splash of managerial wisdom or technical know-how will make everything work out. In such situations, talent becomes clearly defined only after the fact.

Talent development is just a slogan, not a way of life. The finest mentoring and assessment tools aren't much use if no one puts them into action. In Effron's surveys, more than 20% of talent-management specialists conceded that their tools for succession planning, executive coaching and identifying high-potential employees are widely regarded within their own companies as not being simple or easy to use.

We don't know how to get better. Traditionally, the payoff from talent development efforts is hard to measure and takes years to play out. As a result, there haven't been many systematic efforts to keep track of what assessment techniques are most valuable within a company; which bosses have the best eye for talent, or what recurring mistakes ought to be fixed.

Mike Markovits, a talent expert at IBM, is trying to fix that he is developing a tracking system that keeps track not just of executives' career paths, but also of their assessments and training along the way. That tool gives his team the potential to size up IBM's own talent-development efforts, so the company can see where it's getting the best results and where it has bottlenecks that need fixing.
Challenges faced by the firms in search of talent

a. Employer branding

Organizations now have to find ways to sell their brand to prospective talent in ways which enable personnel development, in conjunction with the goals of the organization.

b. Nurturing the right talent

Companies need to devise strategies to ensure the long term commitment of the skilled people.

c. Compensation woes

Organization should find a delicate balance between compensation and performance so as to ensure continued association of work force.

d. Building and enabling work culture

It is a challenge for the management to develop such an enabling culture—a common vision, mission and values which instills a “we feeling amongst the employees “.

e. Dealing with a global work force

Needs a more comprehensive international talent management strategy.

f. Emerging technologies

Talent management systems, process and content increasingly dependent on the emerging technologies ranging from blackberry phones to portals and blogs.

g. Dynamics of a diverse workforce

h. Developing a robust leadership

i. Generalist vs specialist

The big task for the management is to either spot talent or develop it. this generalist vs specialist debate is an issue that needs a considerable thinking from the part of the organizations to shape their talent strategy.

j. Industrial consolidation and restructuring

Mergers, acquisitions, joint ventures, downsizing all have a significant impact on work force and leave organizations with highly demotivated. In such scenario talent management assumes great importance.
Recent trends in talent management

1. Employer branding – pulling the levers for talent attraction

Attracting qualified talent is the critical first step in the talent management cycle. Jobs are plenty, finding the right candidate is the challenge. The need is to "sell a job". Having sold the job well, retaining good employees is the next challenge that arises. And the company's brand image makes these tasks easier. Hence the marriage of compulsion arises between HR and marketing principles-employer branding.

An employer brand is a set of attributes and qualities - often intangible - that makes an organization distinctive, promises a particular kind of employment experience, and appeals to those people who will thrive and perform to their best in its culture”. CIPD Oracle's legendary founder and CEO, Larry Ellison, is on record as saying, "Your brand is what people say about you when you've left the room." “A brand is the DNA that separates a product from a commodity.” - David Michaelson

Any robust talent supply chain process begins with attracting talent. Organizations are waking up to the reality that recruiting is more than just putting an advertisement in the classified columns, hoping that suitable incumbents will respond and the best from the pack hired to start the following Monday. Recruitment is an essential process of feeding the organizational talent pipeline with competent people. An organization with a compelling employee value proposition is better positioned on the job market to attract talented employees. The reality of the recruitment game is that job adverts are preceded by the reputation of the organizations that post them. So whether it's a bold full page job advert or a few lines in the classified column, the discerning job seeker will want to know who is behind it all. For bad employer brands, a peep behind all this press rhetoric often reveals poor management style, low pay, poor human relations or skewed performance management system. differentiating themselves.

2. Talent development

An effective retention strategy begins at the earlier stages of the recruitment & selection process. This is true because most of the employee turnover happens due to poor chemistry or bad fit. The research indicates that most of the people leave organizations due to the mistakes made during the hiring phase. For this reason some smart companies are adopting the strategy of " hire for attitude & train for skill." They have realized that it is easier to develop the skills & capabilities that an employee needs than to attempt to change the employee's personality or mindset.
The design, care and nurturing of the talent development pipeline depends on the organization’s talent development system. This is really a meta-system, since it consists of seven smaller systems, each of which must be aligned with the others. The driver is the human resource strategic planning system, which indicates the talent required to execute the strategic plan. It is enabled by recruitment and selection, career management, training and development, succession management, compensation and benefits, and performance management systems. Failure in any of these systems either blocks or breaches the talent pipeline and frustrates the ultimate organizational goal of talent sufficiency.

3. Talent retention

Most companies today would acknowledge that their human resources are most important asset. But since companies can’t own employees the way they own factories or product, your success or failure hinges on the quality and duration of the relationship you form with your people. In present scenario people choose companies which have congenial atmosphere and prefer change if they don't get desirable, as it may hinder the growth and success of the Company. Hence retention is vital than recruitment. The attrition rate of employees in organization is alarming. Take any industry, any sector, any organization and you can find more than enough examples of employees joining and leaving their workplace. All this adds to the worry of HR managers who are only left with the option of scratching their heads and singing no mercy's all-time hit-"where do you go?" Thus it is an organization's ability not only to recruit, but also to cultivate and retain, talent that will ultimately determine its longevity.

Two major trends point to the growing importance of employee retention as an important HR issue. One is the constant rise in turnover in virtually every economic sector and left Unaddressed it can have an adverse impact on organizational effectiveness. The other is the ever raising cost of turnover, especially when it involves high performers.
a. Cost of employee turnover

Employees who leave the organization take along with them valuable information regarding the company, its customers, current projects and other confidential data. Retaining the present employees is of the foremost importance to the organizations because; the company would have already incurred heavy costs in the form of training and development. Now if the organization has to look for a replacement for the employee who has left, it involves a lot of costs like - hiring costs, training costs and the induction costs.

b. Talent retention strategies

**Levels of employee retention strategies**

![Levels of employee retention strategies diagram](source: retention.naukrihub.com/retention-strategies.html)
1. **Five pillar leadership**

   The best way to ensure a retained labor force is five pillar leadership. Five pillar leadership is a continuous focus on people, service, quality, finance and growth.

2. **Implementing Seven key Talent Management practices**

   Becoming a well rounded talent requires continuous learning and development of knowledge and skills. But with some planning, a lot of persistence and adapt execution of seven key practices, any organization can create an enriching workplace.

   1. Job Stretch and Mobility.
   2. Mentoring Not Just Managing
   3. Freedom and Stimulation
   5. Teaching and Coaching
   6. Diversity of Talents and Personalities
   7. Horizontal Growth Paths

3. **The Develop-Deploy-Connect model**

   The Develop-Deploy-Connect model should be at the core of an organization’s talent strategy. By focusing on these three elements, organizations can generate capability, commitment, and alignment in key workforce segments, which in turn improve business performance. When this happens, the attraction and retention of skilled talent largely take care of themselves.

   **DEVELOP**

   By “develop,” means providing the real-life learning employees need to master a job. It don’t mean just traditional classroom or online education. As importantly, it mean the “trial by-fire” experiences that stretch their capabilities and the lessons they learn from peers, mentors, and others.

   **DEPLOY**

   By “deploy,” means working with key individuals to (a) identify their deep-rooted skills, interests, and knowledge, (b) find their best fit in the organization, and (c) craft the job design and conditions that help them to perform.
By “connect,” means providing critical employees with the tools and guidance they need to (a) build networks that enhance individual and organizational performance, and (b) improve the quality of their interactions with others.

4. **Employee engagement as a tool for retention**

   Engagement is a state where an individual is not only intellectually committed but has great emotional attachment with his/her job that goes above and beyond the call of duty. Some of the key drivers that keep employees engaged are Type and nature of job, relationship between organizations performance and employees, Growth opportunities, Brand name, Peer members, Skill enhancement, Relationship with the boss etc.

5. **10 C’s that can help talent retention**

   a. **Connect**

      Employees should feel that their work is being valued and should feel a sense of connectivity with their superiors.

   b. **Career**

      People in the organization should be given an opportunity to advance in their own career path, which can be facilitated by their leaders, providing them with challenging jobs that brings out the best in them.

   c. **Clarity**

      Employees should be made well aware of the goals and the purpose of the organization.

   d. **Convey**

      Clarifying the expectations about their performance and giving a timely feedback can give room for the employees to perform at his/her fullest and thus can learn on ongoing basis.
e. Congratulate

If we need a workforce that is engaged, we should recognize their efforts by praising them and giving them an applause that can boost their morale and ultimately make them enthusiastic towards their work.

f. Contribute

Efficient leaders should make sure that the employees feel their efforts are being used in the fulfillment of the overall goals and objectives of the organization. Employees should also know that their input matters a lot and is helping the organization in a meaningful way.

g. Control

Employees value having control of the flow and pace of their jobs. Involving your people in decision making creates a culture wherein they can take the ownership of their problems and can find solutions to them.

h. Collaborate

Work done in teams with equal contribution by all team members creates an environment that fosters trust and lot of collaboration

i. Credibility

Maintaining reputation of the company lies in the hands of the workforce employed. Leaders should strive hard to demonstrate high ethical standards to their subordinates.

j. Confidence

Instilling a sense of confidence is what is required from the management people.

Conclusion

It is high time organizations realize that each employee is valuable and with time their added experience makes even more valuable. Today’s dynamic global business environment, together with the ever-growing, challenge of a highly mobile workforce, requires a well planned, meticulous approach towards talent management. The current discussions about skill shortages and the ageing population are also helping organizations to focus on the talent management issue. It may not be possible to simply go out and recruit new people to meet operational needs. Many leading companies have decided to develop their own people, rather than trying to hire fully skilled workers. In summary, every organization should be implementing talent management principles and approaches.
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