



## Talent in Organizations – Need of the Hour

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### ABSTRACT

*Better talent is worth fighting for. The role of HR has become the role of a strategic partner in Organizational Development. A change has to occur as a part of becoming a high performance Organization. And a continuous war exists when it comes to talent. This paper aims at giving a conceptual presentation of an idea on the meaning of Talent Management and the various components of Talent Management. Two main components are discussed namely Talent attraction and retention. Talent attraction is what makes the talented people to choose an Organization to work. In this context, Employer branding which is one of the factors attracting people is discussed. When it comes to Talent retention, once the talented workers are attracted, steps have to be taken to retain them. Engaging employees and compensating them will help an organization in retaining them.*

**Keywords :** Building blocks of Talent, War for Talent, Principles of Talent Management, Talent attraction, Talent retention

### Introduction

Talent can be defined as Individuals who have the capability to make a significant difference to the current and future performance of the company (Morton, 2004). This talent emerges from ability as a consequence of an individual's learning experience. The term designates the Superior mastery of systematically developed abilities & knowledge in at least one field of Human endeavour. Also, talented people make a contribution to the Organization to a greatest level either through their immediate contribution or in the longer run. If the company wishes to become a high performing Organization, then it has to focus on its Human Capital from whom the talented can be identified and developed. To develop such talent, a change should happen in Organization as a part of Human Resources strategic plan.

### Building blocks of Talent Management Strategy

The following components form the building blocks of the Talent Management strategy which will enable the effective implementation of the adopted strategies.

- 1) Managing the performance of the Employees
- 2) Development of Employees
- 3) Communication
- 4) Continuously Improving work environment
- 5) Open climate

### Literature Review

Talent Management strategy is an internal component of driving continuous transition in the company (Grossman, 2007). Firms need to compete in today's economy, need to build employees who possess right skills & capabilities (Pfeffer, 1994). Best Talent Management Decisions are possible Leaders have a wealth of data on Talent (Farley, 2005). Talent Management includes a set of practices designed to ensure adequate flow of employees into jobs throughout the Organization. (Jackson & Schuler, 1990). It is having the right people at right time in the right job (Kessler, 2002). Buckingham & Vosburgh, 2001 defines it as attracting, aligning, maintaining and managing talent according to performance. McCauley & Wakefield (2006) and Redford (2005) defines it as managing everyone to high performance which requires co – operation and communication of managers at all levels. Talent Manage-

ment is an integral component of driving continuous transition in the company (Grossman, 2007). McKinsey (1998) defines talent as 'Sum of a person's abilities – his/ her intrinsic gifts, skills, knowledge, experience, intelligence, judgement, attitude, character and drive'.

### The War for Talent

The Term 'war for talent' was first coined by McKinsey & Company (1998), America's largest Management Consultancy firm. The survey was done in 77 companies and 6000 executives and managers were selected who were considered being rich in talent and also 20 case studies were taken. According to McKinsey, the most important corporate resource over the next 20 years would be smart, sophisticated business people who are technologically literate, globally astute and operationally agile.

Old reality – people need companies

New reality – company needs people

find, develop & retain people who possess the competencies and commitment needed for their jobs and who can find meaning in their work. McKinsey adds before 3 years, there was a difficulty in attracting people but now the challenge has shifted to retaining those people.

### Factors impacting the war for Talent

- 1) Global demographic and economic trends.
- 2) Increasing mobility of people and Organization.
- 3) Transformational challenges to Business environment, skills and cultures.
- 4) Growing levels of workforce diversity.

### 5 Principles for Effective Talent Management

#### Principle 1: Crystal Clear Policy

The first principle highlights the need of a hybrid approach to perceive the Talent management practices. In the long run, the narrow approach is too expensive. Also, talent that is not sustainable is not talent. Talent is the one at which we persevere and all about authenticity.

**Principle 2: Perceive Talent Development as an integrated process**

The HR Departments due to budgetary constraints are less likely to perceive Talent Management as an integrated process. Organizations stage regular Talent reviews to optimise the match between talents, jobs, projects and initiatives (Bryan and Joyce, 2007; Appelli, 2008)

**Principle 3: What should Talent Development lead to?**  
Talent Management should lead to a clearly outlined goal.**Principle 4: Offer mentoring by true role models**

Future leaders, have 2 preferred modes of learning, of which observing role models is one (the other, learning by discovering) – Manon Ruijters (2006). Talents are not afraid to do mistakes and are driven by results & challenges. And the question is when do talents meet their role models? Mentoring (Jones, 2008), coaching, intervention and supervision are examples of interventions that bring peers into contact with each other to exchange their work experiences. Neurological explanation stems from the fact that our brains are wired with mirror neurons that will literally mimic real life examples of role models.

**Principle 5: Harness the power of the Talent pool**

A job requires a minimum duration of offer any return on investment and a maximum duration after which the job will become routine and no longer provides a rich learning environment for talents.

**Components of Talent Management****1) Talent attraction**

Organizations should understand the competitive value of talented people by spending considerable time for identifying and recruiting high-calibre individuals (talents) (Bryan et al., 2006). Also, knowledge acquisition can be done by recruitment through Mergers, acquisitions, and joint ventures (Jackson et al., 2003). Lievenseal (2007) states that “employer branding is a specific form of managing corporate identities by creating both within and outside the firm an image of the firm as a distinct and desirable employer”.

(Ready et al., 2008) further add that employees in the emerging markets are particularly in sync to brand because a desirable affiliation may lead to self-growth and advancement. Three factors drive the war for talent. Shift from Industrial age to Information age, demand for high calibre talent and people shifting from one job to the other. This makes employer branding in Recruitment more important. This is also one of the best tools to compete in the highly competitive market. To attract the best talent, the company should promote itself as an ‘employer by choice’.

It should ideally present a picture of the instrumental and symbolic traits of an organization which permit job seekers to differentiate the organization from its competitors in the recruitment market. During the recruitment process the employer brand messages indicate the nature of the employment, career opportunities, challenges and the unique features of the organization. They may clarify misconceptions and reduce reliance on prior notions (Rousseau, 2001). Talent attraction has become an area of concern since only the Talent attracted can be further developed and retained.

**2) Talent retention**

Employee retention can be defined as “the effort by an employer to keep desirable workers, in order to meet business objectives” (Frank, Finnegan, and Taylor, 2004). Retaining talent is another biggest challenge and involves how to create and maintain daily working environments in which talents can productively pursue the joy of work and financial benefits from their individual or collective contributions (Cappelli, 2000).

Hiring and retaining the top talent is the driving concern of the Management today. This becomes essential as effective Leaders are required in the future. Talents who leave the company take with them the valuable knowledge, expertise & experience. Open Communication and good Supervisory relationships are also important factors in retaining Top talents.

**❖ Engagement & retention**

Employee Engagement is a key factor in retaining Talent. (Glen, 2006). Engaged employees become assets to Organizations. India being the largest talent pool MNCs find their way to enter the country. Also, engaged employees are difficult to imitate and unique to an Organization. Employee engagement can be emotional, Cognitive and Physical. Martel (2003) cites ‘Employee Autonomy, tolerance and risk – taking engages high performers. Education and training engages high performers.

**Top 5 retention factors**

The following are the top 5 retention factors in the order of their importance.

1. Exciting work / Challenge
2. Career Growth / Learning
3. Relationship / working with great people
4. Fair pay
5. Supportive Management

Employee retention is critical to any Organization as human Capital is of Major importance to them.

**❖ Compensation and retention**

Compensation involves external competitiveness and internal equity. External competitiveness attracts talent while internal equity retains talent. A good compensation system will stimulate employees and make them work harder thus increasing productivity and enhancing job performance. The compensation strategy of the organizations can attract, keep and stimulate talent, while also meeting their own demand for market competition and the accomplishment of strategic goals.

Compensation system design is based on three factors namely job – based pay, performance based pay and skill based pay. Chang (2005) indicated that the factors of employee satisfaction include internal marketing, gender, educational background, seniority and compensation. To enhance employees’ job satisfaction, effective rewards (e.g., a full attendance reward and bonus) can be adopted to reduce employee absence and increase job performance.

**Challenges of TM**

Well – educated and talented people have become a rare and attracting and retaining them have become a challenge to the Companies. There are certain limitations to effective Talent Management strategies.

- 1) It is critical to manage everyone to high performance because demographics and Business trends make talent more critical.
- 2) Co – operation and Communication at all levels should be clear
- 3) There is a need for aligning talent and developmental needs.

**Conclusion**

Talent Management has become the need of the hour as every Organization is in need of highly talented people to take their business to the next level. And it is not only the best practices that distinguish high performing companies but is a pervasive Talent Management mindset (Michael’s et al.). Companies which invest more in attracting and retaining Talents have a high probability of succeeding when compared to other companies.

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