



## Talent Management: A Formidable HR Challenge

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### ABSTRACT

*Talent has a connotation of distinction. It is something that sets one apart. Challenges and opportunities brought by globalization and knowledge base economy force organization to prioritize acquiring and managing cross culture high end talents. Traditionally, organizational growth was driven by hiring more people. However, today's economic environment requires and increase in the productivity of existing workers. Before a new headcount is considered . this paper intends to highlight the inevitable need for talent management in the present day business environment, and identify the talent challenges that exist today for organizations which are contemplating the use of talent management as a key strategic advantage . It emphasizes on the innovative strategies used in the fields of HRM to build an effective talent management program which is essential for competitive advantage. This paper is an attempt to understand all such complexities and challenges of talent management that need to be faced by companies to build a solid foundation for the future.*

**Keywords : Talent Management, Retention, Human Capital Management, Competitive Advantage**

### Introduction

With the increase in competition, rising growth and competencies, talent acquisition and management of talent has become one of the prime concerns of any company. Companies are spending huge amounts of money to ensure that they get the best people to work for them. The 20th century changed the whole concept of talent identification and development. On the other side, one of the important areas in the industry right now is that of knowledge management, driven by tremendous pressures for service quality, speed to market and innovation, and the availability of a new generation of exciting information management tools. Companies are employing new technologies to leverage the intellectual assets of knowledge workers. Organizations hire talented employees with useful skills and knowledge for achieving sustainable competitive advantage. Employees' talents and their capabilities are the most important value-creating assets in the new economy. The development of sustainable competitive advantage through knowledge workers and retaining the current talent is a vital management function. In a global marketplace, successful companies nowadays focus on talent management programs through knowledge building programs

### Current Talent Scenario

The law of demand and supply also applies to human resources, during recession; companies resorted to downsizing and restructuring of employee compensation to recover financial losses. Only those employees who proved their mettle were retained. Sometimes, the situation appeared to be exactly the opposite- the period just before the economic downturn saw high rates of industrial growth and companies faced the problem of not having enough talent, leading to talent crunches. Over the past few years, such contextual factors have often trapped companies in a vicious circle of shortage and surpluses of talent, wherein the organization faced a constant need to strike the right balance

and set off both the extremes.

Perhaps no other resource has gone through such revolutionary changes and transformations as the HR in the past few decades. A sudden rise in the prominence and centrality of HR function in organizations is a result of such far reaching changes in relation to human capital. The purview of its activities is increasing day by day, Now, HR professionals are expected to not only identify and attract relevant Talent, but are also expected nurture, groom and retain it to effectively achieve the organizational objectives. This places an ever increasing demand on every HR manager to find innovative ways to effectively manage and win this 'war of talent'

### Talent Management

Talented person is an individual with bright abilities .A person has multi skills and is self motivated, has excellent knowledge and high general competencies.

Talented specialist= productivity + competency +easy learning

It is the process of developing and integrating new workers, developing and retaining current workers, and attracting highly skilled workers to work for a company. The 'war for talent' has focused on acquiring 'the best'. Human resources play a significant role in reaching organization effectiveness and performance (Huselid, 1995). Talent has become the key differentiator for human capital management and for leveraging competitive advantage. A talent management strategy covers an organization's approach towards recruitment and retention, assessment and evaluation, compensation and benefits, performance management, learning development and succession planning.

### Talent Management: The need of the hour

After years of paying lip service to the notion "our workforce is our greatest asset", organization are now beginning to take action on the same. It is high time that firms plan and execute talent management for requisite results to survive in this competitive age.

The soaring costs and risks associated with human resources; and the direct dependence of customers and brand equity on the employee talent pool, requires firms to effectively attract, motivate and nurture talent. Let us look at the reasons that make talent management a vital cog in the growth of organizations.

- **Cost Constraints:** It is known fact that HR management is becoming a highly capital-intensive function of an organization. Right from the direct costs related to recruitment, training, remuneration and developmental efforts, to the indirect costs associated with attrition and poor planning, manpower administration requires a careful planning and execution at every step. With the demand for talent going up disproportionately in relation to its supply, the cost of attracting, developing and retaining this talent has emerged as an area of serious concern for the HR managers. Once such an investment is made by an organization on the personnel, it is inevitable to guard it so as to reap the returns.
- **Unavoidable Perils:** Talent management efforts have always been a big gamble for the firms. Even if utmost planning and caution is exercised, managers cannot completely, write off the chances of failure resulting from new staff not performing as expected. Besides, there is 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. Such risks can be decrease but never completely mitigated.
- **Customer Relationships:** Employees bind the customer to the organization as glue, and if that relationship is broken as a result of key talent leaving the organization, the capacity of the firms to provide sustainable service to its clients is severely compromised. This has the potential to compromise future business and customer base.
- **Survival and Growth:** With increasing globalization and proliferation of competitors, it is the responsibility of the organization to make, build and nourish their talent pool that decides their survival in the long run. Besides, the role of talented employees in giving a sustainable competitive advantage is obvious and efforts to effectively manage this talent becomes a driving wheel for the growth and development of organizations.

In the light of the above reasons, it is obligatory for organizations to invest their time, energy and resources to improve workforce productivity. As firms seek new ways of dealing with current policy changes, 'talent management' has become vital element in establishing a Human Capital Management (HCM) environment.

### Talent Management Process



#### Identification of Talent:

The employees are assessed through competency framework. The methodology used for the assessment and development of manpower is through e-map cycle. This is the function for an outstanding talent management program. Identification of talent is directly related to higher motivation and performance of an employee. Set the realistic target for an individual that must be in line with the organizational goals. Employees need a periodic feedback to check their performances. Effective performance appraisal program is a vital part of the overall talent management system. A proper balance between evaluation of the present performance and the reward system within the organization helps the employees remain motivated towards attaining personal organizational goals.

#### Individual Development Planning:

Managers concerned with their departments must ascertain individual short-term and long-term aspirations after analysis of jobs through e-map and performance system.

#### Recruiting and retaining Talent:

There are two ways to procure talent, develop it from inside the organization or recruit it from outside. The internal recruitment program ensures that those candidates who have strong skills and knowledge are self-motivated and emotionally stable, actually know how to make things happen in the organization and have potential abilities to fulfill the demands of customers and also to align with the company's goals. Such candidates may be promoted through various ways in the organization

Candidates who are recruited from outside the organization are based on their academic records and certain predetermined competencies through a proper selection procedure.

#### Areas of Improvement for Retaining Talent:

Focusing on talent retention program is every businesses' top priority. Every employee discusses his/her area of improvement with his/her boss. There are various learning activities which involves both employees and organizations. Retention of employees must start with the right hiring process of employees, identifying potential candidates early and focusing on different issues to retain talent, such as:

- Encourage the quality relationship with boss.
- Involve them in decision making process.
- Build a learning culture where creativity, new skills and self-development is encouraged.
- Manage balance between work and home life.
- Provide opportunities for growth and advancement for existing employees.
- Provide guidance, performance counseling and employee assistance programs.
- Provide challenging task for demonstrating their competency.
- Expanding training and development practices.
- Introducing stress management programs.
- Provide Motivation, cooperation, external rewards and trust to retain the employees.
- Introducing employee engagement and branding program.
- Company's clear vision and objectives help employees to align their own personal objectives.
- Introduce new technologies to handle day-to-day operations.

#### Critical Incident Review:

After making the talent management program, review is the next crucial step for HR practitioners. A regular review of program is necessary. The employees need to be communicated at regular intervals, if their performance is found lacking by the management. The employees should be told where they stand and how they can improve throughout the year and not just during the annual review when they have no opportunity to take any corrective action.

Basically knowledge management is a key driver of talent management process that builds a value based organization. With this view, talent management is the process of implementing a system through nurturing and developing those people who have a strong ability and potential competency to fulfill the objective of the organization in a competitive environment.

#### Primary Principles of Talent Management

The four primary factors that make the talent management approach unique include:

1. An integrated approach within HR. Talent management formally integrates people management programs and functions so that they work as a continuous process.
2. Integrating people processes into standard business processes. Talent management goes the next step and further repositions people management programs and processes into the company's standard business processes, such as the corporate strategic planning process, budgeting, mergers, and new product development.

3. Shifting responsibility to managers. Talent management pushes the accountability and the responsibility for executing people management down to the line management levels.

4. Measuring success with productivity. Talent management shifts the success measures from the more traditional HR and recruiting functional metrics towards measuring the overall productivity of the workforce.

Other Key Elements of Talent Management In addition to the four above elements of talent management, there are some other factors that help define how talent management differs from traditional recruiting. They include:

- A focus on high impact positions. A talent management strategy requires managers and HR to determine which jobs, when filled with top talent, have the largest impact on a firm's success.
- Accountability. Talent management assigns responsibility for managing the talent inventory to the chief talent officer, who is responsible for results, not effort.
- Rewards and metrics. Talent management builds cooperation and integration between previously independent efforts through its heavy use of common goals, metrics and rewards. As a result, no independent function can be considered successful unless the overall talent management effort is also successful.
- Balanced metrics. Talent management gets managers' attention by instituting a system of measures and rewards that ensures every manager is recognized and rewarded for excellence in people management (high workforce productivity). It simultaneously measures employee engagement to ensure that managers reach their productivity goals while using the appropriate management behaviors (two-way communications, empowerment, meritocracy, etc.).
- Business approach. The talent management strategy is not derived from an overhead or administration model. It is developed from and mirrors other successful business process models, like supply chain management, finance, and

lean manufacturing.

- Recognition of the business cycle. The talent management approach involves recognizing that different types of talent are required depending on changing business situations. As a result, talent management requires the continuous internal movement of talent in and out of jobs and business units based on current business needs and where the company is in its business cycle.

- Truly global. Talent managements encourages finding, retaining, and developing the best talent no matter where it is. It also stresses putting the work where the best talent is.

- Focus on service. Seamless service is the expectation of talent management. Customer satisfaction, process speed, quality, and responsiveness are continually measured.

- Anticipation. While traditional recruiting and retention tend to be reactive, talent management is forward looking. It forecasts and alerts managers about upcoming problems and opportunities. It encourages managers to act before the need arises in talent management issues.

### Conclusion

The Mandate is clear: For organization to succeed in today's rapidly changing and competitive environment, a focused human capital centric approach is required. Although, the road ahead is rampant with obstacles, both hard and strong, the mantra for organization is so strategically plan their talent resources and judiciously utilize them for long term survival growth.

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. Fortunately, both HR and business leaders recognize that talent is a critical driver of business performance. It comes as no surprise that talent management practices are often cited as a key strategic priority. The future of talent management will need to evolve from where it is today to become a more systematic business process.

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