



Factors Affecting Talent Management Practises– A Review

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ABSTRACT

In the present hypercompetitive and increasingly complex global economy, one of the greatest challenges facing by almost every organization is to successfully attract, assess, train and retain the talented employees. In the present time of talent drought in the labor market, every company wants to have the best and brightest employees in their organization, and with the help of Talent Management that can be achieved. Talent Management Practices are the end to end process of planning, recruiting, developing, managing and compensating the employees throughout the organization. Having a talented group of employees has always been a key to success of any organization and it will translate into cost savings and higher productivity, but retaining these experienced persons in the present talent hunger marketplace is a really complex job. Younger generations have different expectations and if they are not fulfilled by their organizations, they take a little time to move from the organization. Retaining and developing the talented employees in the organization are the critical success factor which depends upon a number of factors in addition to salary and benefits. This paper makes an attempt to identify the various factors affecting Talent Management Practices. The study is based on extensive literature survey and the secondary sources of the information were used for the attainment of the objective.

KEYWORDS

Talent Management, Talent Management Practices, Employees etc.

Introduction

Talent management is the buzz word in corporate sector to retain the key talent in their organization. It has become one of the most pressing topics in organizations. Almost every sector in India is facing high rates of attrition these days. The retention of the talented employees is a critical element of an organization's more general approach to Talent Management, which is defined as 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 Lockwood (2006). A recent study revealed that employees leave either because of compensation reasons or due to better growth opportunities. High attrition levels, productivity levels, job inclination, career growth are all issues which concern the Human Resource community and also directly impact business in an increasingly people-intensive industry. In such a state, there is a need to identify the factors which are affecting talent management practices. By using talent management practices, organizations can decrease the intention to quit the organization in its employees and reduce many of the harmful results and costs.

Objective of the Study:

- To identify the various factors affecting the talent management practices through an extensive review of available literature.

Methodology:

The study is based on the extensive literature survey to identify the factors affecting the talent management practises. Secondary sources of information were used for the fulfilment of the objective.

Factors affecting Talent Management Practises:

On the basis of the literature review the factors affecting talent management practises are:

1. Age, Seniority and level of Education

Regarding the intention to stay in the organization by the talented employees, the researcher has found that there is positive relationship between age and the retention. The older an employee within the organization the more he/she want to stay Govaerts et al (2011) and Ito et al (2001). Employees with more than twenty years seniority score were higher on intention to stay than employees with less seniority. Moreover it is more common for the young employees to change jobs at the beginning of their career in any organization wherein it is not easy for an older employee to find another job Stark (2009). The level of education had no significant influence on retention Govaerts et al (2011).

2. Salary and Benefits

The relationship of salary and benefits with talent retention is another aspect of making people stay in the organization. Fair remunerates and rewards to the employees have been found to have a significant negative effect on the intention to quit from the organization. The major causes of attrition identified by some IT companies were again the desire for higher education, marriage/transfer of spouse, salary, or when expectation of going on-site abroad is not met. In BPO industry staff satisfaction is always in proportion with money received and it shows quickly compared to other industries. This is one of the major reasons why attrition levels high in the BPO's Feldman(2000). A study carried by Mwangi (2009) revealed that poor remuneration and reward schemes would have contributed to loss of talent.

3. Working Environment

Employee Retention is another biggest challenge and involves how to create and maintain daily working environments in which the talented ones can productively pursue the joy of work and financial benefits from their individual or collective contributions. New generation executives are looking for challenging assignments with adequate compensation to get professional satisfaction whereas an effective work-life balance strategy is not simply about complying with the law. A study of Nation Media Group by Mwangi (2009) revealed that the

respondents cited lack of space in the organization. Congestion in the offices, sharing of desks and other resources were some of disabling environmental factors. Very few respondents revealed that they had adequate working space. Some of the respondents said that lighting and ventilation within the offices is also a problem.

4. Succession Planning

There are different perspectives about succession planning but almost all of them hold a common root. Some consider it as a process of planning for succession of choosing the next senior team. For other groups, it is an adequate pool of proper talents for in-house recruitment. Some succession planning is a "future-proofed" strategy that enables the organization to grow and perform in the future successfully Hills (2009). In these three different explanations, a unique basis can be found, which is; "have the right people in the right jobs at the right time" Hills (2009). Investment in human capital requires careful planning. Under the talent management umbrella, succession planning is an important organizational business strategy to develop and retain talent Lockwood et al (2006).

5. Training and Development:

Training is a key retention factor for the talented employees in any organization at any age. Eisen (2005) in his study states that training programs available to all employees correlate with a 70% increase in employee retention rates whereas career development is the accumulation and cultivation of skills and knowledge that enable a professional to advance or grow in the field of his or her choice. Offering a higher salary is not the only important factor motivating talented employees working with an organization but other kinds of motivation such as career path, career development, and open communication are important factors as well. As long as employees feel that they are learning and growing, they will be less inclined to leave. On the other hand, once employees feel they are no longer growing, they begin to look externally for new job opportunities Rodriguez (2008). Coaching is also one aspect of career development that can motivate the talented employees effectively. According to Whitworth, Kimsey-House, & Sandahl, (1998), as the result of coaching, high performer is less likely to leave an organization and leaders become more engaged and motivated.

6. Organization Culture

Organizational culture has a substantial effect on whether talent management activities will succeed and contribute to improving results. It is the central to an organization's ability to manage its knowledge more effectively Davenport and Klahr (1998), Davenport et al (1998) and DeLong (1997). There are three components of organization culture i.e. vision and goals Leonard (1995), trust Von (1998) and the social networks Leonards and Sensiper (1998). The organization culture contributes to the individual's level to commitment and motivation in the organization.

7. Organizational Commitment

Organizational commitment of an individual is his/her psychological attachment to their organization. In fact it can make or break the bottom line. Employees who are most committed perform 20% better and are 87% less likely to resign Lockwood (2006). Steers (1977) in his study said that the more committed an employee is, the less of a desire they have to terminate from the organization. These "highly committed" employees were found to have a higher intent to remain with the company, a stronger desire to attend work, and a more positive attitude about their employment. Steers (1977) also concluded that "commitment is significantly and inversely related to employee turnover." According to Arthur (1994) when organizations seek to foster a philosophy of commitment, then the likelihood of an employee searching for employment elsewhere is lowered. Commitment has a significant and positive impact on job performance and on workforce retention.

8. Job Security

Increasing numbers of organizations mergers and acquisitions have left employees feeling displeased from the companies that they work and haunted by concerns of overall job security. As a result, employees are now making strategic career moves to guarantee employment that satisfy their need for security. On the other hand, employers have a need to keep their stuff from leaving or going to work for other companies. In fact, companies that offer employee development programs are finding success with retaining workers Logan(2000).

Employers, who act as performance extraction units, without offering job security to its employees, will find it very difficult to get loyalists and cannot command commitment.

9. Job Flexibility:

Work practice that allows the employees a certain degree of freedom in deciding how the work will be done and how they will coordinate their schedules with those of other employees. Job flexibility is vital for retaining employees of any age Boomer Authority(2009). Researchers describe the importance of employment flexibility such as scheduling variations that better accommodate individual work times, workloads, responsibilities, and locations around family responsibilities Cunningham(2002) & Pfeffer(2007).

10. Job Satisfaction

In the present hypercompetitive and increasingly complex global economy, Job satisfaction represents one of the most challenging area faced by today's service based companies' managers when it comes to managing their employees. A positive and favorable attitude towards the job indicates the job satisfaction. A study on employee engagement and business success showed that employees who were extremely satisfied at work were four times more likely than the employees who are dissatisfied Lockwood et al (2006). Individuals choose organizations that complement their personality and organizations choose individuals who have personalities that complement the organization. When this occurs, there is a fit which represents the degree of job satisfaction Judge et al(2000).

11. Identify and Differentiate Talented Employees

According to Smithers and Walkers (2000) responsibility, recognition and a sense of achievement in work, self-respect and recognition by others are those factors which are having a positive influence on motivation and the productivity levels can be improved as employee motivation or desire to perform is the foundation of productivity improvement Huysamen (1999). It refers to the classification of individuals in different groups with different levels of talent Lewish and Heckman (2006). In a study by Lockwood et al (2006) revealed that 82% of the respondents said that the recognition of their work motivated them to improve job performance.

12. Provides Meaningful and Challenging work

Nine out of ten managers think that people stay or go because of money, which is actually not the case. Money and benefits matter, but what the employee's want the most is challenging and meaningful work, good bosses, and opportunities for learning and development. Challenging and meaningful work in any organization requires the application of various skills, self-control and participation in the important issues of the organization. Provides meaningful and challenging work refers to ensures that subordinates are able to link their individual contribution to organizational and divisional strategic direction. Senior management must actively create opportunities for employees to be engaged in work that is challenging Oehley (2007). Sutherland and Jordan (2006) in their study suggest that the organization need to develop and communicate compelling employee propositions that highlight the availability of the challenging work.

13. Leadership

Leadership can be described as a process of social influence in which one person can enlist the aid and support of others in the accomplishment of a common task. Leadership is the abil-

ity of a superior to influence the behaviour of his/her subordinates and persuades them to follow a particular course of action Van (1982). The leaders' role also encompasses communicating the talent management philosophy companywide and knowing the industry competition. Organizations will be more effective in their talent management if they encourage active leadership by managers. A study by Mwangi (2009) revealed that a majority of both the current and the past employees agreed that the nature of leadership styles had an effect on the staff morale. The respondents were of opinion that the leadership made them feels happy.

14. Communication:

Studies have indicated that effective communications improve employee identification with their agency and build openness and trust culture. Increasingly, organizations provide information on values, mission, strategies, competitive performance, and changes that may affect the employee's interest Gopinath and Becker (2000). Many companies are working to provide information that employees want and need in better way of communication, through the most credible sources (e.g., CEO and top management strategies) on a timely and consistent basis.

15. Motivation:

Nowadays motivational issues are more complex because of the wealth and opportunity so many employees have enjoyed. Over the long haul, people need intrinsic rewards to keep going and to perform at their peak Thomas (2000). Workers have been forced to take more responsibility for their own careers, going where the work is rewarding and where they can develop skills that will guarantee their employability, in whatever organization Hall and Associates (1996). Talented workers have more choices than ever before, and are likely to leave if not satisfied with their employer or job content

16. Superior-Subordinate Relationship:

Employee development programs cannot exist without a culture that supports them. Any effective program must have strong support from people in senior management positions, and these people must also serve as positive role models to subordinates Zenger et al (2000). Managers and supervisors take on a new role when an organization gets into the business of employee development. The factors emerging of retention strategies also indicate that employees stay when they have strong relationships with others with whom they work as a positive learning environment leads to higher retention rates Clarke (2001).

Conclusion

In the present scenario, organizations are continuously confronted by social developments such as globalization, technological advancements and increasing global cutthroat competition. Companies have to be able to anticipate technological innovation and to compete with other companies worldwide Burke and Ng (2006). Besides these economic evolutions, demographic changes are also putting pressure on companies. The current society has to deal with the rapid aging of the active population while, in the meantime, fewer young people are entering in the labor market. In addition, the workers of the so-called baby boom generation are gradually retiring. These evolutions cause not only a shortage of workers, but also a risk of losing knowledgeable and experienced young people from the organization. Despite Talent Management is the key to success for any organization, the retention of the talented and young employees issues are emerging as the most critical workforce management challenge of the immediate future. In the war for talent, organizational success depends on effective recruitment and retention. To accomplish this goal, Human Resource can provide value by focusing on five key areas: ensuring organizational stability, emphasizing employer brand and reputation, developing integrated talent strategies, supporting multilevel accountability, getting involved in talent management initiatives and offering opportunities for career and personal development Lockwood et al (2006). On the basis of the literature survey the study revealed that there are so many factors which affect the effective talent management practices and helpful for the talent retention in the organization. For the effective Talent Management, learning and development programmes for employees with talented people should be conducted and feedback about employee perception of such talent programmes should be collected and assessed for further improvements. The modern generation demands a more personalized approach when it comes to assessing their skills & abilities and mapping out their career paths. The challenging jobs should be given continuously to the talented employees, which provide them an opportunity for development. At the same time the employees want healthy balance between work and home life. Traditional careers and training programmes no longer suffice for locking in mobile young talent, engaging them and developing them. There should be motivational programmes for talented employees, rewards for their exemplary work, celebrating their exceptional performance and making them to feel that their present organization is best place to work for, are also those factors which can make Talent Management more effective and improve the talent retention.

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