Inevitability of Talent Management

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Introduction

Talent management is a process that emerged in the 1990s and continues to be adopted, as more companies come to realize that their employees' talents and skills drive their business success. Companies that have put into practice talent management have done so to solve an employee retention problem. The issue with many companies today is that their organizations put tremendous effort into attracting employees to their company, but spend little time into retaining and developing talent. A talent management system must be worked into the business strategy and implemented in daily processes throughout the company as a whole. It cannot be left solely to the human resources department to attract and retain employees, but rather must be practiced at all levels of the organization. The business strategy must include responsibilities for line managers to develop the skills of their immediate subordinates. Divisions within the company should be openly sharing information with other departments in order for employees to gain knowledge of the overall organizational objectives.

The present scenario with abundant opportunities has triggered a wave of employees, perpetually "on the move", forever seeking better opportunities whenever, wherever and however they can. What is behind the restlessness of these hard to keep employees? By focusing on productivity, organisations are realising that it is imperative to hire employees who can do the job and be successful at it. The organisation no longer wants to just hire-to-hire, in fact they are striving to find the right people, bring them into the organisation and retain their services. One of the critical functions of HR is a sound Human Resource Planning

through which they are able to project the demand for human resource and thereafter formulate strategies for acquiring them. As the leading HR heads of the country point out, the solution is not just about finding the correct retention mechanisms, but it starts from the very beginning by devising ways to acquire the right people for the right jobs. Talent management implies recognizing a person's inherent skills, traits, personality and offering him a matching job. Every person has a unique talent that suits a particular job profile and any other position will cause discomfort. It is the job of the Management, particularly the HR Department, to place candidates with prudence and caution. A wrong fit will result in further hiring, re-training and other wasteful activities.

Talent Management is beneficial to both the organization and the employees. The organization benefits from: Increased productivity and capability; a better linkage between individuals' efforts and business goals; commitment of valued employees; reduced turnover; increased bench strength and a better fit between people's jobs and skills. Employees benefit from: Higher motivation and commitment; career development; increased knowledge about and contribution to company goals; sustained motivation and job satisfaction.

In these days of highly competitive world, where change is the only constant factor, it is important for an organization to develop the most important resource of all - the Human Resource. In this globalize world, it is only the Human Resource that can provide an organization the competitive edge because under the new trade agreements, technology can be easily transferred from one country to another and there is no dearth for sources of cheap finance. But it is the talented workforce that is very hard to find. The biggest problem is how to retain the present workforce and stop them from quitting.

Magnitude of Talent Management

First, let us look at some of the reasons for the substance of talent management.

- **Globalization:**

    Now for any jobseeker the whole world is the potential place to find employment. One can know the opportunities available in any part of the world easily and the number of talent seekers has also increased.

- **Increased Competition:**

    Increased competition in the market place has necessitated the need for consistently good performance on the side of organizations. These have made the companies to put in all efforts to hire and retain the best talent in the respective field of operation.

- **Increasing Knowledge:**

    The knowledge era has necessitated the retaining of those talents which have the ability to assimilate new technologies and knowledge, which are growing at a pace never seen before.

How Talent Management important for an Organization:

1) Cost cutting:

    One experienced & skilled employee can replace instead of two or more employees. Organization can save hundreds of thousands of dollars.

2) Maximum Output

Organization can make maximum out put in minimum resources.

3) Time Saving technique

It is a time saving technique. Because for every job a skilled person can place. It's helpful to complete job in minimum time

4) Perfection increase

Due to skilled employee Perfection in work is increase. There is low probability of mistakes.

How Talent Management important for an Employee:

- **Recruitment**

    It is ensuring that right people are attracted to the organization, due to providing exposure for their skills.

- **Retention**

    Developing and implementing practices that reward and support employees.

- **Employee development**

  Ensuring continuous informal and formal learning and development.

- **Leadership and "high potential employee" development**

    Specific development programs for existing and future leaders.

- **Performance management**

Specific processes that nurture and support performance, including feedback/measurement.

- **Workforce planning**

Planning for business and general changes, including the older workforce and current/future skills shortages.

Culture

Development of a positive, progressive and high performance "way of operating".

The Challenge

The challenge of talent management has two faces. First is how to find new people and second is how to retain the present workforce. Each of the challenges has to be tackled in the most efficient way possible so that the organization can achieve its objectives.

The First Challenge - unearth new talent

All the organizations are finding loads of business opportunities and consequently, their revenues are growing at a rapid pace. The increasing business opportunities has necessitated that these organizations go in for massive recruitment. But, the question is where to find the best talent which is able to fit the job description and also adjust to the organization's values and norms. If we scan the environment, we find there is a shortage of skilled workforce that can be employed. Some of the possible reasons that have led to the shortage are the following;

Demographic Constraints

This is a common problem faced by many of the developed countries, where a large chunk of its population is nearing the age of retirement or is over 50 years. USA, Germany and Japan are facing the same problem. All these countries will see a decline in their workforce and talent. In the coming years, they will see a great shortage in their skilled professionals.

Existing Educational System

The graduates and the postgraduates that are being churned out of the universities are found to be ill equipped to handle the challenges of the workplace. They are mostly equipped with only the theoretical aspects of the issues and lack the application part. The educational system is faulty and does not take industry needs into consideration, resulting in a mismatch between industry requirements and educational preparation.

Cost Factor

Recruiting new employees is becoming tougher and tougher in the developing countries, where the HR department has to sort out thousands of applications for a handful of jobs. Finding right person for the right job becomes a very difficult process. It also involves very high cost to conduct the recruitment and selection process for such a large population of applicants.

Attracting the Best Talent:

This is another challenge. As was the case in the past, the best available talent is not just motivated by the name and fame of the organization. Not anymore. They have a new set

of motivators like - challenging work, conducive work environment and freedom from bureaucratic structure.

The Second Challenge -   Retention of existing employee

Gone are the days when a person would join an organization in his mid-20s and would work till his retirement in the late-50s. Today the young professionals hop jobs, especially during the first 4-5 years of their work life. Though the Indian service industry is basking in the light of outsourced jobs from the developed countries, they also cannot ignore the fact that the BPO industry is also facing one of the highest attrition rates, in fact never heard before in India, of around 35%. It is a fact it is the people that add value to organizations. It is also a fact that humans are a restless species who, unlike the immovable Banyan Tree, cannot stay rooted in one place. People need to move on for one reason or another, and the organization stands to lose.

Let us look at some of the reasons behind the massive attrition rates:

Gap between organizational values and goals and the personal values and goals is one of the major reasons of the attrition rates. If they go parallel, there is no way both would be satisfied and inevitably, the organization would miss a talented employee. Working environment is another major factor. Employees in the knowledge era demand creative and a democratic work environment. Failure on the part of the management to provide such an environment will result in a talented employee leaving the organization. The competitive world has made sure that there is high work pressure on the employees of any organization. This has led to psychological problems like stress, and in extreme situations, total burnouts. It also leads to other health related problems. Movement for higher salary is also common among the younger professionals.

There is no shortage for organizations who are looking for talented employees and who are ready to shell out a hefty salary for a talented person. Other lures like better job opportunities, higher posts and overseas assignments are also major factors in the attrition rates.

Not taking proper care during the recruitment and selection process and not taking proper care to fit the right person to the right job also breeds dissatisfaction among the employees. Bad or opaque policies from management on issues of succession planning and promotion, appointments for senior positions also is a major factor which makes the organization lose out on the talented employees. The professionals have different aspirations at different times of their career. During the initial years, they have good salary and foreign assignments. Next on the list is working on cutting edge technology. More seasoned professionals look for learning opportunities. So employees tend to move to those organizations that provide them with means to fulfil their aspirations.

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. In addition, it takes some time for the new employee to adjust to the new work environment. During this time the productivity of the employee will be low. The HR department will have to fit the new employee into a proper role in the organization. Apart from causing the company a monetary loss and breaks in their day-to-day operations, attrition contributes to knowledge transfer, which is a great loss and adversely affects business.

Challenges in cope the talent

It is now proved beyond doubt that, in the era of technology and knowledge, talent is in the driving seat. One who possesses it dictates. Not he who pays for it. It is the demand of the time that business leaders elevate management of talent to a burning corporate priority. It is not a walk in the park for the talent market. Quality people are no longer available in plenty, easily replaceable and relatively inexpensive. These are some of the measures that should be taken into account to hire and retain talent in the organization, to be efficient and competitive in this highly competitive world.

Hire the Right People

Proper care must be taken while hiring the people itself. It would be beneficial for an organization to recruit young people and nurture them, than to substitute by hiring from other organizations. Questions to be asked at this stage are: Whether the person has the requisite skills needed for the job? Whether the person's values and goals match with those of organizations? In short, care must be taken to fit the right person to the right job.

Keep the Promises

Good talent cannot be motivated by fake platitudes, half-truths and broken promises. Unfulfilled expectations can breed dissatisfaction among the employees and make them either leave the organization or work below their productive level. Promises made during the hiring stage must be kept to build loyalty among the employees, so that they are satisfied and work to their fullest capability.

Good Working Environment

It has to be accepted by the organizations that highly talented persons make their own rules. They have to be provided with a democratic and a stimulating work environment. The organizational rules must be flexible enough to provide them with freedom to carry out their part of task to their liking, as long as the task is achieved. Opportunities should also be provided to the employees to achieve their personal goals.

Recognition of Merit

It is highly motivating for any person if his talent is recognized and is suitably rewarded. One way is providing them with salary commensurate with their performance. Promotions and incentives based on performance are another way of doing it. Another way is by providing them with challenging projects. This will achieve two objectives - it makes employee feel that he is considered important (a highly motivating factor) and gets the work done in an efficient manner and brings out the best in the employee.

Providing Learning Opportunities

Employees must be provided with continuous learning opportunities on and off work field through management development programs and distance learning programs. This will also benefit the organization in the form of highly talented workforce.
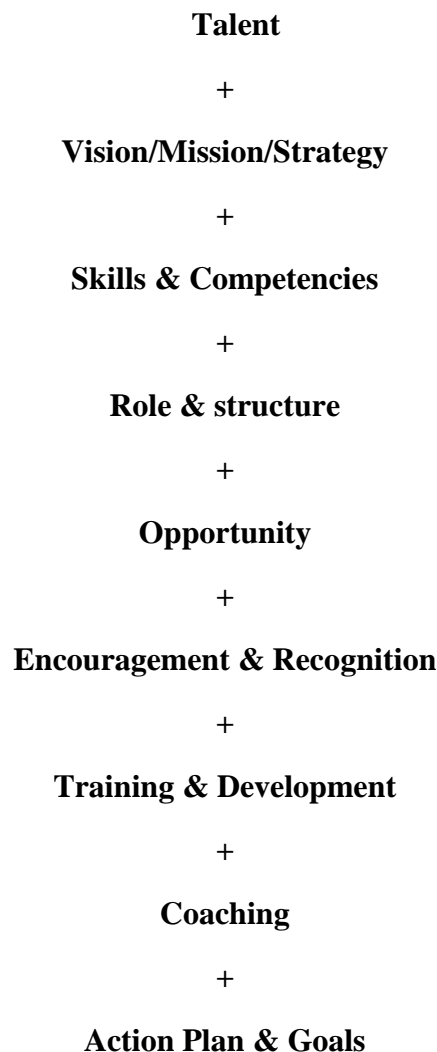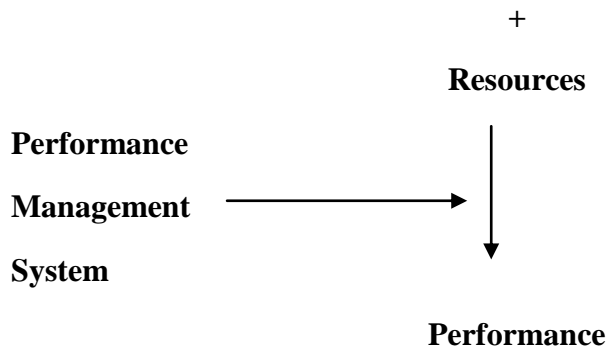
Shielding from High Work Pressure

If an organization has to make the most of the available talent, they should be provided with adequate time to relax, so that they can did-stress themselves. It is very important to provide them with holidays and all-expenses-paid trips, so that they can come back refreshed to work and with increased energy. They must also be encouraged to pursue their interests

which are also a good way of reducing work environment stress. Recreation clubs, entertain programs, fun activities within the work area will also reduce the work life stress of the employees and develop camaraderie among the workers and result in a good working environment.

TALENT & PERFORMANCE

Organizations provide individuals the opportunity and space for physically manifesting their talent into performance for achieving individual and organizational vision. Talent manifests into performance as follows:

Talent

+

Vision/Mission/Strategy

+

Skills & Competencies

+

Role & structure

+

Opportunity

+

Encouragement & Recognition

+

Training & Development

+

Coaching

+

Action Plan & Goals

+

Resources

Performance

Management   ⟶

System

Performance

Thus the domain of talent management focuses not only on development of individual's intrinsic capacities, but also on culture building and change management to provide the other elements listed above for manifestation of talent into performance.

The New HR Mission and Talent Management Processes

Many challenging workforce issues confront HR, including:

- Heightened competition for skilled workers.

- Impending retirement of the baby boomers.

- Low levels of employee engagement.

- Acknowledgement of the high cost of turnover.

- Arduous demands of managing global workforces.

- Importance of succession planning.

- Off shoring and outsourcing trends.

This requires new thinking and a new mission to achieve business success. These factors—coupled with the need to align people directly with corporate goals—are forcing HR to evolve from policy creation, cost reduction, process efficiency, and risk management to driving a new talent mindset in the organization.

One important distinction is the evolution of the difference between tactical HR and strategic talent management. Transactional HR activities are administrative overhead. Talent management is a continuous process that delivers the optimal workforce for your business.

In this new model—instead of being the owners of processes, forms, and compliance—HR becomes the strategic enabler of talent management processes that empower managers and employees while creating business value.

With this view, talent management may be defined as the implementation of integrated strategies or systems designed to improve processes for recruiting, developing and retaining people with the required skills and aptitude to meet current and future organizational needs.

Anecdotally, talent management is often defined as performance management, incentive compensation, or talent acquisition. Talent management is also often confused with leadership development. Although leadership development is a crucial function of your organization, focusing on it exclusively is a legacy of last century. Our modern service and knowledge economies in the talent age require a broad and holistic view. A high performance business depends on a wide range of talent.

Taleo's graphical representation emphasizes the mandate of talent management to respond to business goals and consequently be the driver of business performance. Talent management is depicted as a circular—not a linear—set of activities.

Call for Talent Management

Workforce cost is the largest category of spend for most organizations. Automation and analysis of your recruiting and hiring processes provides the immediate workforce visibility and insights you need to significantly improve your bottom line. Performance management provides the ongoing processes and practices to maintain a stellar workforce.

Today, many organizations are struggling with silos of HR processes and technologies. The future of talent management is embodied in solutions designed from the ground up to provide business-centric functionality on a unified talent management platform.

Since nearly all competitive business factors have become commoditized, talent is what ultimately drives business success and creates value. **Leading organizations** rely on Taleo **solutions** and **services** to assess, acquire, develop, and align talent with business objectives while significantly reducing process costs, improving quality of hire, reducing risk, and achieving higher levels of performance.

Though it may seem intuitive, it is worthwhile to articulate the fundamental significance of successful talent management practices:

- The key enabler of any organization is talent.

- The quality of your people is your last true competitive differentiator.

- Talent drives performance.

Talent management requires strong executive support, along with systems and processes all directed towards having the right talent doing the right work at the right time.

That is when talent truly drives higher business performance. As organizations continue to pursue high performance and improved results through talent management practices, they are taking a holistic approach to talent management—from attracting and selecting wisely, to retaining and developing leaders, to placing employees in positions of greatest impact. The mandate is clear: for organizations to succeed in today's rapidly changing and increasingly competitive marketplace, intense focus must be applied to aligning human capital with corporate strategy and objectives. It starts with recruiting and retaining talented people and continues by sustaining the knowledge and competencies across the entire workforce. With rapidly changing skill sets and job requirements, this becomes an increasingly difficult challenge for organizations.

Conclusion

Talent Management for the HR Community is an opportunity for HR professionals to develop in their areas of expertise and in their careers. A strong HR Community helps create a strong public service. The goal of talent management is to better understand our people in the HR Community so we can support professional and career development and align individual needs and goals with the business focus of HR. We also want to ensure that we as a Community have the ability to develop people so that we are meeting the future needs of the community and government and our clients. This first broad sweep of the Community provides a foundation on which to ensure leadership continuity, knowledge transfer and service continuity. The initial implementation resulted in a number of important human resource priorities and strategies, such as performance management, leadership and management development, attraction and retention, employee learning and development and culture, all of which are supported by the HR Strategy for the HR Community. The critical next step in the process is the implementation of the Talent Management Plan for the HR

Community. Individually, members of the community and their managers should work together to move forward individual career development plans. The HR Community must work together to promote a talent management mindset and   commit to supporting development as a professional group, and integrate talent management into the daily fabric of doing business.

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