

TALENT RETENTION – THE NAME OF THE GAME

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ABSTRACT

Acquiring skilled workforce is not just enough in today's changing economy. Instead a lot needs to be done to retain them. Losing knowledgeable and trained staff can cause serious damage to the company's progress and performance in the market. Since employees are a great asset to the company, their hard work and dedication towards work should be acknowledged, reinforcing their sense of belongingness. The attrition rates of the employees of some companies actually match their revenue growth rates. This is giving a severe headache to the top management in general and HR department in particular. So, this has added to the functions of the HR department a new function – Talent Management. Talent today's world is hard to locate. It is sometimes hidden or overridden by daily pressures of doing business. From the earlier oft-repeated phrase of 'no one is indispensable'; today the key words for any HR department are 'key personnel', 'talent war' and 'attrition'. In such a situation, employee retention programmes have gained importance in sectors like IT, retail, and banking and financial services which witness high rates of employee turnover. After talent acquisition and talent management, talent retention is the next most important issue on any HR agenda. The biggest challenge in this process is to identify key people and devise ways and means to retain them.

The paper attempts to understand all the complexities and challenges of talent retention 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.

Research objectives

- 1. To understand the concept of Talent Management*
- 2. To identify the reasons for Talent attrition*
- 3. To examine Employee retention plan and strategies for Talent retention*

Methodology *The Methodology used for this study is exploratory in nature and is based on secondary information. The study analyses the existing concept of talent management, the reasons for massive attrition rates, employee retention plan and employee retention strategies.*

Review of literature *The review includes both academic and professional literature. This review focuses on literature that takes more holistic approach to talent management and talent retention and importance of the both on organizational growth and development*

Key Words: *Talent Retention, Talent Management, Employee Engagement.*

INTRODUCTION

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.

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, Infact never heard before in India, of around 35%.

GETTING THE RIGHT TALENT MIX

The issues impacting next generation workforce are skill shortage,worklife balance, brain drain, creating a value proposition that appeals to multiple generations, lack of interest from senior executives, finding the right people with specific skills, aging workforce ,redesigning talent management practices, inability to identify future talent needs of the organization etc. The new talent management process focuses more on pools of talent than on specific individuals. It takes a broad view of satisfying the need for the right mix of talent to implement today's and tomorrow's strategies. It is no longer about hiring the best person for a position now, but about hiring people who may qualify for key positions in the future.

NURTURING THE RIGHT TALENT

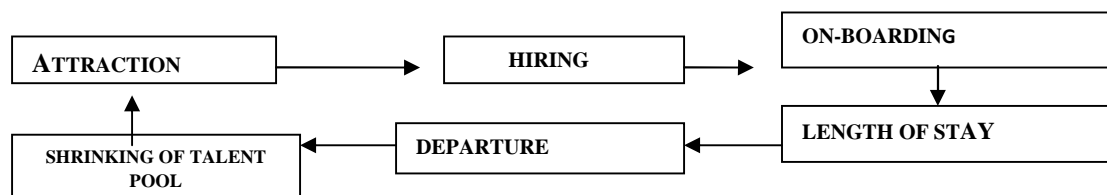
The companies need to devise strategies to ensure long run commitment of the skilled people. It is a fact that it's the people that add value to organizations. People need to move on for one reason or another, and the Organization stands to lose.

Reasons behind the massive attrition rates

1. Gap between organizational values and goals and the personal values and goals is one of the major reasons of the attrition rates.
2. Working environment is another major factor.. Failure on the part of the management to provide good working environment will result in a talented employee leaving the organization.
3. 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.
4. Movement for higher salary is also common among the younger professionals.. There lures like better job opportunities, higher posts and overseas assignments are also major factors in the attrition rates.
5. 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.
6. 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.
7. 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
8. Which provide them with means to fulfill their aspirations..

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.

Employee Retention Plan (Creating 5 Stage Employee Retention Plan

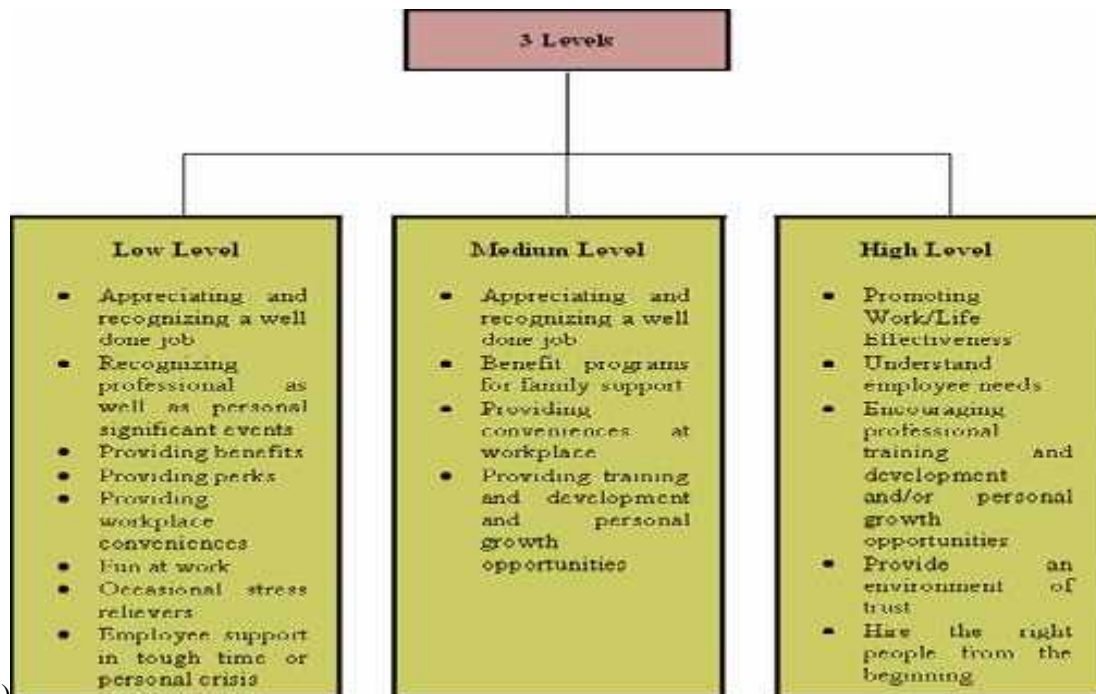


- a. **Attraction** as a significant role in attracting and picking up top-notch people. Creating an attraction in terms of place of employment will pull a lot of interested qualified applicants.
- b. **Hiring** –hiring process is not about including those whom we end up hiring but anyone whom the employer has interviewed for your organization is a part of this period. Handling the applicants that have been rejected also reflected your repute as an employer.
- c. **On-boarding**-cementing new hires to your organizations is the key component of on boarding plan of any organization who wants too create an emotional connection that will make them connected to their role, their managers and also to the team as a whole. The first 90 days of a new employee is all about connections. and as per researches conducted an employee makes up his/her mind whether or not they will stick to the job with in the first week
- d. **Length of stay**-training and development, rewards and recognition along with fun at work can contribute a lot in making people stay for long. Also the top management should rely that the bulk of training time should be spent on equipping their mid level managers in creating an engaging place of work.
- e. **Departure**- people who leave your organization on bad terms can be like poison that leaks up into a talent pool which organizations must be desperate to tap into. so avoid this negative advertising by making them leave on a good note. How we say goodbye to our employees has an impact on our reputation too and can be very well tackled with emotional management.

EMPLOYEE RETENTION STRATEGIES

Today many organizations are on top because they value their employees and know how to retain them. Several strategies are implemented to encourage employees and retain them for maximum period of time. It has been found that informal relationships are more effective in solving the problems of workers as compared to formal hierarchy in organizations.

LEVELS OF EMPLOYEE RETENTION STRATEGIES



(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.

Many organizations define jobs narrowly and allow little or no movement across organizational boundaries or even within them. But to grow, talented people need to be constantly challenged and stretched. This means the ability to take risks, to try new things.

2. Mentoring Not Just Managing

Nothing speeds up the transfer of knowledge and know-how or enhances individual development more than a quality one- to-one dialogue between an experienced person and an up comer.

3. Freedom and Stimulation

Often the environment in which people work can make a huge difference to the speed and quality of people development. Two ingredients essential to making a workplace conducive to learning are stimulation - through frequent exposure to a wide variety people and ideas and the freedom to explore and pursue individual ideas and passions.

4. Deep Immersion

Nothing frustrates talented people, particularly young generations more than being asked to wait their turn before getting the opportunity to contribute to important projects or initiatives. This is not only demotivating to people but counter -productive to performance.

5. Teaching and Coaching

This means having people in the organization - both managers and specialists - whose role it is to help others to grow, learn and realize their potential. Many organizations have de-emphasized this key task as pressure to meet quarterly performance targets have cascaded down to every level of the organization.

6. Diversity of Talents and Personalities

7. The value of diversity in business seems obvious to most observers, but few leaders really know how to leverage the differences that people bring to the workplace.

8. Horizontal Growth Paths

Flattening of hierarchies in recent years has severely curtailed growth paths in many organizations. But growth shouldn't just be up the ladder or depend purely on acquiring managerial skills. Another productive growth path is horizontal and progressive organizations have created lateral paths that allow people to broaden their skills and knowledge within their disciplines and jobs.

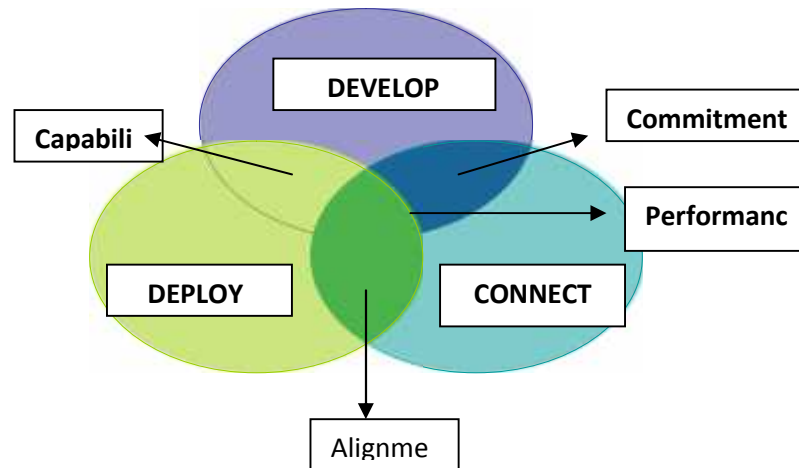
3. The Develop-Deploy-Connect Model

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," we mean providing the real-life learning employees need to master a job. We don't mean just traditional classroom or online education. As importantly, we mean the "trial by-fire" experiences that stretch their capabilities and the lessons they learn from peers, mentors, and others.

Deploy: By "deploy," we mean 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.

Connect: By "connect," we mean 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.



Source: Deloitte Research; for more details on this model, please refer to the 2004 Deloitte Research Study

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 applaud 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

Talent Management should be about delivering business success through understanding what we actually mean by talent, and how it will achieve the specific goals of the organisation. It is about ensuring that we value the natural talents and aspirations of our people. It is about ensuring that we understand what blockages can spoil all our hard work. It is about operating people processes that join together not only with each other, but with the business's goals. And finally, it is also about understanding how to manage people for alignment as well as ability. If we adopt these approaches, not only will business success follow, but we should also have fulfilled and effective people.

Highly demanding business environment makes it imperative for the organizations to build competence in the form of superior intellectual capital. It is agreed by almost all CEOs of big companies that it is the human resource - a talented one - that can provide them competitiveness in the long run. So it is the duty of the HR department to nurture a brigade of talented work force, which can win them the war in the business field. The talent has to be spotted, carefully nurtured and most importantly preserved.

Right person for the right job - is the new mantra.

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