

TALENT MANAGEMENT: A KEY COMPONENT TO BUSINESS SUCCESS

Dr. Swapan Kumar Roy

Assistant Professor in Commerce, Bethuadahari College, Bethuadahari, West Bengal, India.

Abstract

Skilled, talented, dedicated and committed workforce is an important asset of any organization. The success of the organization depends on the knowledge, skill and attitudes (KSA) of the employees involved in the organization. 'Talent' means 'something which is inborn in you'. Talent should be nurtured and developed in a bid to make the staff/employees matured one. Here lies the importance of 'Talent Management'. 'Talent Management' is also known as 'Human Capital Management (HCM)'. It is usually associated with competency-based management. McKinsey & Company first used the term in a study of labour markets in 1997. The real development of management talent started in the early 1990's. Management of talent is really about the internal development of human capital, yet, majority of vacancies in corporations now are filled up from outside. It is an important aspect of managing a successful business. Talent management is the systematic attraction, identification, development, engagement, retention and deployment of those individuals who are of particular value to an organization, either in view of their high potential for the future or because they are fulfilling business or operation-critical roles. In a knowledge and skilled-based economy, the most competitive and effective organizations are those with employees who are motivated, well-trained and highly skilled – the talent of the organization. So it may be said that high-performance workforce helps the organization reach the pinnacle of the success. In this paper, an attempt has been made to elucidate the important aspects of "Talent Management".

Key words: HCM, Human capital, KSA, Retention.

Introduction

The excerpt "When land was the productive asset, nations battled over it. The same is happening now for talented people" taken from Stan Davis and Christopher Meyer, Future Wealth, is appropriate in the age of liberalization, privatization and globalization (LPG). Talent is a critical success factor for the growth of development of any organization. The organization equipped with talented workforce can keep pace with the changing world. Corporate world has paid attention to recruit, retain and train the precious human resources for the well being of any organization. It is also applicable in every field of activities. No doubt, to survive in the competitive world, each and every organization is vying with each other. Pressures for performing better than before is mounting over the years. Creation and preservation of knowledge has become an important tool in speeding up the competitiveness and this may result in enhancing the organizational capabilities to cope with the market changes.

Engagement of talented people may help the organization achieve the targeted goals. Here lies the importance of "Talent Management".

Objectives of the Study

The objectives of the study are

1. To discuss about the conceptual aspects of Talent Management.
2. To throw light on important "Retention Strategies";
3. To assess the role of HR in Talent Management;
4. To make concluding remarks.

Methodology

The entire study has been based on the secondary sources of data. The data/information have been collected from different books, journals, newspapers and relevant websites. The collected data/information have been discussed, interpreted and analyzed in order to make the study an effective one.

Knowledge, Skills and Talent: Definition and Meaning

The lexicon meaning of 'Knowledge' is "That which is known", 'Information', 'Learning', and 'Practical skill'. It may be defined as "a body of facts and principles accumulated by mankind in the course of time." Knowledge is the sum of what is known: the body of truth, information and principles acquired by mankind. Facts, information and skills acquired by a person through experience or education are also called "Knowledge". It is what is learned.

According to the Dictionary meaning of 'Talent', it means 'any natural or special gift', 'special aptitude or ability', 'eminent ability'. A 'Talent' is a person who creates value in an organization. Talent consists of those individuals who can make a difference to organizational performance either through their immediate contribution or, in the longer-term, by demonstrating the highest levels of potential.

Knowledge, Skills and Talent: Distinction at a Glance

Knowledge: Something you know.

Skills: Something you do.

Talent: Something which is inborn in you.

Talent Management: Background

In 1998, a staff of Mckinsey Consulting Group published a paper in The Mckinsey Quarterly entitled "The War for Talent". They had carried out research in 77 large US companies and found that "Companies are about to be engaged in a war for senior executive talent that will remain a defining characteristic of their competitive landscape for decades to come. Yet most are ill prepared, and even the best are vulnerable".

Defining 'Talent Management(TM)'

No denying the fact that talented workforce is an important asset of every organization. It is an important task on the part of the organization to retain them through providing attractive salary, congenial atmosphere of working place, extra perks, imparting training facilities and many more. So the talent management may play an important role in this regard. The term "Talent Management" is usually associated with competency-based management. Competency involves knowledge, skills, experience and personal traits.

It is also known as "Human Capital Management". It is an integrated HR approach towards making sure that the people with skill and knowledge as needed by the organization are motivated, trained and liberated. In other words, TM means not only finding that talent, but also educating it and molding it in such a way as to be most beneficial to the company.

Scope of Talent Management

1. Identifying the talent which is required
2. Right selection of the talent
3. Implementing competitive compensation plans
4. Training and continual development of competencies
5. Practicing state-of-the-art performance appraisal systems
6. Aligning the acquired Talent
7. Developing and nurturing the Talent
8. Retaining the Talent

Talent Management: Why

Talent management becomes effective when employees are hired who are deemed to be the best fit in the organization. The organizations take several steps to manage talent most effectively. It is important for the organizations to develop adequate and appropriate plans and put in efforts to attract

the best pool of available candidates and also to nurture and retain the current employees. Needless to mention that good talent management is tantamount to better business results. The need for talent management is stated below:

1. Aligns human capital needs with business strategy.
2. Ensures that the organization has the right people in the right jobs at the right time to achieve the expected results.
3. Helps the organization understand their current state and forecast talent gaps and take necessary steps to close the gaps.
4. Clarifies current and future roles and responsibilities.
5. Focuses training, development and recruitment efforts.
6. Ensures knowledge transfer across multigenerational workforce.
7. Maximizes the contribution of every employee.
8. Minimizes disruption associated with sudden departures.

Why top Talent is attracted to a Business?

1. Top talent is attracted if the work is interesting and challenging.
2. Promotional opportunities attract the best talented workforce.
3. High performers are recruited and looked after.
4. There is a boss or mentor that is admired.
5. Top talent may not move from one workplace to other if the company has a good reputation and is a strong performer.
6. There is long-term commitment to top talent.
7. Culture and values are liked.
8. There is trust in the senior management.
9. Top talent is recognized and rewarded for their individual and team contribution.

Retention Strategies

1. Show employees that you have an interest in their success: Most of the employees feel that the management shows indifferent attitude towards the development of their career. It is not all the times true. Managers of the big companies are of the view that brilliant business model will not work without skilled individuals motivated by a culture of management concern.
2. Allow employees the room to develop their skills: The organization should make a room so that the employees can develop their skills. Frustrated employees, who are deprived of getting such facilities, very often leave the organization and find other organizations where there exists a congenial atmosphere.
3. Give employees a clear idea of the long-term goals of the company: The organization should take an initiative so that the employees are in the know of the long-term goals of the organization. This creates a sense of belongingness and the employees think that they are the members of the organization.
4. Measure soft skills: It is said that a tree is known by its own fruits. Soft skills include interpersonal skills, communication skills, analytical skills and presentation skills. Development of soft skills increases the morale, personality etc. Employees are motivated if the company arranges such measures that may develop the aforesaid skills.
5. Fight turnover with smart (specific, measurable, achievable, relevant and time bound) training: The migration of employees from one company to other companies may be reduced if proper training is imparted to them. Training broadens experience and enhances skills. This reinforces old skills and equips individuals for keeping pace with the changing situation.

6. Develop your management team: A sound retention strategy benefits the employees that help to hold the skilled and talented people in the organization. Good, efficient and skilled bosses play a vital role in retaining the best and skilled workforce.
7. Weed out poor performers in non-management ranks: Very often, managers do not pay heed to the resentment of the employees. The under-performer's problem is hardly heard. This creates an unhealthy situation. Sometimes it is heard that the productive employee often has to take on more work to compensate for the poor performance of others.

Role of HR in Talent Management

Talent management has been gaining importance today. It brings together a number of important human resources and management initiatives. Most companies are now switching over to human resources from the previous world of machinery because of their need for knowledgeable and skillful workers. Organizations adopting a TM approach will focus on coordinating and integrating,

1. Recruitment: It ensures that the right people are attracted to the organization.
2. Retention: It develops and implements practice that reward and support employees.
3. Employee Development: It focuses on personal development and plans for formal and informal training. Constant learning and development makes it possible.
4. Leadership Development: Specific development programmes are adopted for existing and future leaders particularly those who have high potential.
5. Performance Management System: Here specific processes are adopted that nurture and support employee performance including feedback and measurements. This is a measurement of results the employee achieved within those areas for which he is held accountable.
6. Workforce Planning: It keeps up with changing workforce that includes older workforce and plan for future skills shortages.
7. Business Culture: It is possible through development of a positive, progressive and high performance 'way of operating'.

Conclusion

'Talent Management' has become one of the most important buzzwords in Corporate HR and Training today. It is designed to keep track of the best workers and make sure that those employees are content and want to stay with the company. HR works to recruit promising employees to the company. Pool of talented workforce enhances the reputation of the company through execution of their assigned works. They are the assets to the company. Talent Management(TM) is beneficial to both the organization and the employees. Organization, very often, faces shortage of talented people. Needless to mention that getting the right people with the right skills into the right jobs is the basic people management challenge in organizations. Here TM plays a predominant role in reducing the talent crunch through adoption of different strategies/policies/programmes.

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