



Driving Forces and Emerging Challenges in Talent Management: A pathway to Organizational Success

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Abstract- *In today's competitive scenario, Talent management is now an essential management practice; what was once solely attached to recruitment now covers a multitude of areas. To attain competitive advantage in every aspect we need to focus on our competitors and on our core competencies. To survive in the knowledge based economy over the long run, organizations must become focused and be capable of managing employees as their most critical resources hence workers now require more education and skills than ever before, appositions have become more knowledge based and information intensive. With the growing competition there is need to develop and deploy people who can articulate the passion and vision of the organization and make teams with the energy to perform at much higher levels. In this paper we attempted to identify the shifts and curves that challenges, the talent resources and the conclusion part is supposed to find out the existing Indian talent scenario so as to analyze its driving forces and emerging challenges.*

Keywords: *Human Resource (HR), Employee expectations, Talent Management.*

I. Introduction

In the broadest sense, talent management has been described as “a deliberate and ongoing process that systematically identifies, assesses, develops and retains talent to meet current and future business needs and objectives.” Stated another way, it is about putting the right people with the right skills in the right position at the right time. Talent management begins as soon as recruiters identify potential hires and continues throughout a person's tenure as an employee of the hiring organization. This new age economy, with its attendant paradigm shifts in relation to the human capital, in terms of its acquisition, utilization, development and retention, has placed a heavy demand on today's HR professionals. Today HR is expected to identify potential talent and also comprehend, conceptualize and implement relevant strategies to contribute effectively to achieve organizational objectives. Hence a serious concern of every HR manager in order to survive this ‘War for Talent’, is to fight against a limited and diminishing pool of qualified available candidates to replace valuable employees when they leave, dramatically underscoring the difficulty to attract, motivate and retain the best employees in an organization. To analyze the reasons, we first need to understand what “TALENT” means. People have different views and definitions. According to Leigh Branham, vice president, consulting service at Right Management Consultants and author of the book, “Keeping People Who Keep You in Business”, a talent is not rare and precious. Everyone has talent – too many

to possibly name all. Talent is behavior; things we do more easily than the next person. We speak of “natural born talent” but those with a gift, knack, ability or flair for something can refine and develop that talent through experience. Talent, however, cannot be taught. As someone once said, “you can teach a turkey to climb a tree, but it is easier to hire a squirrel”.

Human Resource experts in the industry believe matching the right blend of talent with the right job profile can lead to superior performance. 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, organizations are realizing that it is imperative to hire employees who can do the job and be successful at it. The organization no longer wants to just hire to hire, in fact they are striving to find the right people, bring them into the organization 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. The most challenges job of the today's manager is to identify, recruit and retain high quality employees in a highly competitive business environment. In many

large organizations, HR recruitment and retention strategy revolves around creating a competitive compensation and benefits package, or instituting an employee appreciation and recognition program. On the other hand, the smaller companies think that attracting the best talent is a lost cause for them because they cannot offer the competitive compensation packages that their big brothers offers. While compensations packages is an important factor to attract good talent, from the employees point of view, it is not the sole factor influencing the decision to join a company. Some companies have an extraordinary flair to recruit and retain highly capable employees. These companies are described as “Talent magnets” the employers of choice for highly talented people. Such companies are described realize that the key to attracting and retaining quality employees is not merely compensation had benefits packages but other non pecuniary factors. They attract and retain competent employees by satisfying the key human needs that influence performance and loyalty. They satisfy these by leading and managing these skilled employees appropriately.

Talent management implies recognizing a person’s inherent skill, 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 candidate with prudence and caution. A wrong fit result in further hiring, re-training and other wasteful activities. Services sectors that are engaged in talent management (Human Capital Management) are strategic and deliberate in how the source, attract, select, train, develop, promote, and move employees through the organization. The term talent management means different things to different people. To some it is about the management of high-worth individuals or “the talented” whilst to others it is about how talent is managed generally – i.e. on the assumption that all people have talent which should be identified and liberated.

II. Need of the Study

The supply side discussed puts pressure on companies to attract the best talent and ensure that employees join the company and choose to stay in the organization rather than look for opportunities elsewhere. Present study is supposed to find out the existing Indian talent scenario so as to analyze its driving forces and emerging challenges.

III. Problem Identification

It takes Talent to spot Talent! A tone deaf will never be able to appreciate the music of maestros. Only a seasoned jeweler would know that all that glitters is not real! And, only those who can recognize the worth of a diamond can value it, for others it's just a stone! Talent is doing easily what others find difficult. In an organization, there is nothing more crucial than fitting the right employee in the right position. Or else you would be trying to fit a square peg in a round hole. When people do jobs that just don't suit their liking, inclination or temperament, the results, or rather the

lack of them will be disastrously obvious. Low productivity, dissatisfaction, low morale, absenteeism and other negative behavior will become typical till the employee is shown the door. Or perhaps, there is another option - Talent Management “A conscious, deliberate approach undertaken to attract, develop and retain people with the aptitude and abilities to meet current and future organizational need” Organization need to have a vision and a well defined strategy on hiring for the future. India has become the outsourcing capital of the world and this has created its own set of HR challenges. India’s biggest problem is that qualified graduates are becoming scarce. Despite the large population, the supply of engineers cannot keep up with the sharply increased demand. So, do we have the right talent within to attract and retain the best available talent?

IV. Objectives of the study

- 1) Present a basic understanding of what talent management is and why a talent management strategy is vital for retaining the organization.
- 2) Show why and how organizations should measure the effectiveness of their talent management strategy.
- 3) To identify various upcoming Curves and shifts of talent management.
- 4) To identify the ways to retain the best talent.

V. Driving Forces of the Talent Management

Organizations have been talking about the connection between great employees and Superior organizational performance for decades. So, why the current emphasis on Managing talent? There are several drivers fueling this emphasis:

1. Better talent is reciprocal to better business Performance.

Increasingly, organizations seek to quantify the return on their investment in talent. The result is a body of “proof” that paints a compelling picture of the impact talent has on business performance.

2. Talent is a rapidly increasing source of value creation.

The financial values of the company are depend upon the quality of talent.

3. Hyper competition in businesses makes it more complex and dynamic.

Hyper-competition makes it more difficult than ever to sustain a competitive advantage long term. New products—and new business models—have shorter life cycles, demanding constant innovation. Technology enables greater access to information and forces us to move “at the speed of business the recent economic downturn following years of rapid economic growth adds a whole new dimension to how we manage talent. Record layoffs, lower engagement, and less opportunity for advancement all present additional challenges to managing talent.

4. Employee expectations are also changing.

These forces organizations to place a greater emphasis on talent management strategies and practices. Employees today are:

- > Increasingly interested in having challenging and meaningful work.
- > More loyal to their profession than to the organization.
- > Less accommodating of traditional structures and authority.
- > More concerned about work-life balance.
- > Prepared to take ownership of their careers and development.

Responding to these myriad challenges makes it difficult to capture both the “hearts” and “minds” of today’s workforce.

5. Workforce demographics are also evolving

Today, 60 percent of workers over the age of 60 are electing to postpone their retirement due to the financial crisis, according to a 2009 survey by CareerBuilder.10 Many hold top positions, squelching the opportunity for lower-level talent to advance and leaving younger workers feeling stuck (and potentially looking for opportunities with other organizations). At all levels, each deferred exit from the workforce is one less new hire in an already depressed job market.

VI. Challenges of Talent-Management

1. Attracting and retaining enough employees at all levels to meet the needs of organic and inorganic growth:

All three companies are facing a talent crunch. Essar, for example, has grown from 20 thousand employees to a staggering 60 thousand in the past 3 years. Fifty-five percent of their employees have less than two years of tenure.

2. Creating a value proposition that appeals to multiple generations:

With four generations in today’s workplace, most companies are struggling to create an employee experience that appeals to individuals with diverse needs, preferences and assumptions. The Gap, for example, has 153,000 people in its workforce. The stores have a high percentage of Gen Y employees, while corporate roles and leadership ranks are primarily made up of Gen X’ers and Boomers. How does one create a compelling employee value proposition for the organization?

3. Developing a robust leadership pipeline:

I believe one of the biggest potential threats to many corporations is a lack of a robust talent pool from which to select future leaders. This is in part a numbers issue—the Gen X cohort is small and therefore, as I like to say, precious. But it’s also an interest issue—many members of Gen X are simply not particularly excited about being considered for these roles. There was wide agreement among the panelists that a lack of individuals ready to move into senior client manager and leadership roles is a critical challenge.

4. Rounding out the capabilities of hires who lack the breadth of necessary for global leadership:

It’s relatively straightforward to identify and assess experts in specific functional or technical arenas, but much more difficult to determine whether those

individuals have the people skills, leadership capabilities, business breadth, and global diversity sensibilities required for the nature of leadership today. Increasingly, the challenge of developing these broader skill sets falls to the corporations. Essar has formed an academy specifically to develop and groom its own leaders.

5. Transferring key knowledge and relationships:

The looming retirement of a significant portion of the workforce challenges all companies, but particularly those who are dependant on the strength of tacit knowledge, such as that embedded in customer relationships, a key to Mercer’s business success.

6. Redesigning talent management practices to attract and retain the employees:

The challenge of calibrating talent management practices and programs to attract and engage our young entrants is critically important to all firms and particularly so for firms that depend on a strong flow of top talent, such professional service firms like Mercer. All three panelists agreed that making the business infrastructure more attractive to Gen Y is a high priority.

7. Creating a workplace that is open to Boomers in their second careers:

Age prejudice still exists, but smart companies are looking for ways to incorporate the talents of Boomers and even older workers in the workforce. In many cases, this requires rethinking roles and work relationships.

8. Overcoming a norm of short tenure and frequent movement:

Some industries, such as specialty retail, are known for having a very disposable view of talent. Companies intent on changing that norm, such as The Gap, must address both external influences in the marketplace and an internal mindset. The Gap believes retaining employees in roles for 3+ years will be a key to their future earnings growth.

9. Enlisting executives who don’t appreciate the challenge:

Many talent executives complain that business leaders still believe that people are lined up outside the door because of the power of the company’s brand. The challenge of enlisting the support of all executives for the transition from a talent culture that has traditionally operated with a “buy” strategy to one that places more emphasis on “build” is widely shared.

VII. How does an organisation effectively manage talent

A. Recognize talent:

Try to discover their strengths and interests. Also, encourage them to discover their own latent talents. For instance, if an employee in the operations department convincingly explains why he thinks he’s right even when he’s wrong, consider moving him to sales.

B. Attracting talent:

Good company creates a strong brand identity with their customers and then deliver on that promise. Great employment brands do the same. With qualifiedly and

quantitative results. As a result, the right people choose to join the organization.

C. Selecting talent:

Management should implement proven talent selection system and tools to create profiles of the right people based on the competencies of high performers. It's not simply a matter of finding the "best and the brightest"; it's about creating the right fit for today and tomorrow.

D. Retaining talent:

In the current climate of change it's critical hold onto the key people. These are the people who will lead the organization to future success, and you can't afford to lose them. The cost of replacing a valued employee is enormous, organizations need to promote diversity and end design strategies to retain people reward high performance and provide opportunities for development.

E. Managing succession:

Effective organizations anticipate the leadership and talent requirement to succeed in the future leaders understand that pool through succession planning, performance planning. They need to identify potential talent and groom it.

F. Change organization culture:

If the organization wished to substantially strengthen its talent pool. It should be prepared to change things as fundamental as the business strategy, the organization structure, the culture and even the caliber of leaders in the organization.

VIII. Certain steps for the Effective Management of Talents.

All the best practices and steps to Talent Management share a common element; they are guided by a strategic model that helps practitioners integrate and communicate to stakeholders, how all the individual efforts fit together systematically.

Talent Management is beneficial to both the Organization and Employees. The organization benefits from: Increased productivity and capability; a better linkages between individual efforts and the business goals. Commitment of valued employees; reduced turn over; 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.

a) Organization goals are to be clearly set and observed:

Company goals need to be clearly stated to bring commitment in the Organization Hierarchy. So management should clarify the roles of employees.

b) Commitment towards valued employees and clarifying their accountability:

Management commitment is the very essential. Managers must support employees by devoting personal time to it. Employees must be held accountable for their roles and commitment. This can be done directly by implementing in Key Performance Areas. Like

recruiting high potentials through campus interview. Developing qualified replacements before Key leaders retire.

c) Recognizing the talent who possess special knowledge and key areas :

Notice what do employees do in their free time and find out their interests. Try to discover their strength and interests. Also encourage them to discover their own latent talents. For instance; if an employee in the operation dept. convincingly explains why the things he is right, even when he is wrong. Consider moving him to sales.

d) Focusing on Performance Appraisal Systems:

For the organizational sustainability, performance management is very essential. Individuals should be promoted to the higher position when they perform well in the organization but performance management simply good performance is not enough, behaviour linked to the job success is also very essential.

e) Attracting talent by strong brand identity:

Good companies create a strong brand identity with their customers and deliver on that promise; great employment brands do the same, with quantifiable and qualitative results. As a result, the right people choose to join the Organization.

f) Selecting Talent by creating a right fit for present and future:

Management should implement proven talent selection systems and Tools to create profiles of the right people based on the competencies of high performers. It's not simply a matter of finding the "The Best and the Brightest". It's about creating the right fit both for today and tomorrow.

g) Planning Future Talent Requirements:

Bring a change in the present talent, so that, they should match with strategic objectives: effective organizations anticipate the leadership and talent requirement to succeed in future. Talent requirements must be revised to ensure that people are being considered for promotion based on future, rather than merely present, talent requirements.

h) Evaluate Individual Values and Ethics:

Individual who are performing well, may not necessarily perform well at higher levels of responsibility because different competencies are required. Obviously, the common approaches are manager nominations, psychological test; work samples etc. organizational leaders should also measure individuals against corporate values and corporate codes of ethical conduct.

i) Provide opportunities for Individual Development:

By providing certain action learning a project which builds their competencies while learning from others and also by providing them on – the - job training or on - the - job coaching to the individuals.

j) Retaining talent by promoting diversity and design strategy to retain people:

In the current climate of change, its critical to hold on to the key people. These are the people who will lead to the organization to future success, and you can't afford to lose them. The cost of replacing a valued employee is

enormous. Organizations need to promote diversity and design strategies to retain people reward high performance and provide opportunities for development.

k) Evaluate Results:

The Talent Management programs evaluated by metrics established from the initial goals identified for the programme. A rightly managed talent turns out be a Gold mine. Its inexhaustible and priceless. It will keep supplying wealth and value to the organization, In turn might needs to realize its worth, extract it, polish it and utilize it. Don't hoard talent, spend it lavishly, like a millionaire flashing his luxuries, because Talent is wealth!

IX. Conclusion

With rapidly changing skill sets and job requirements, this becomes an increasingly difficult challenge for organizations to manage their best talents. Meeting this organizational supply and demand requires the right "Talent DNA" and supporting technology solutions. By implementing an effective talent management strategy, including integrated data, processes, and analytics, organizations can help ensure that the right people are in the right place at the right time, as well as organizational readiness for the future. 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. Successful organizations know their talent management needs because they have designed and implemented a viable talent management strategy. Here are some ways HR leaders can go about planning and activating a talent management strategy.

1. Engage your top leaders – including your CEO. Explain why your organization needs a talent management strategy, outline your goals, tell your leaders how you will measure success, and ask them for their full support.
2. Assign a talent leader. Designate a senior-level person to develop, consistently update, and champion your organization's talent management strategy.
3. Audit key positions and required competencies. This will help you understand your talent bench line – existing talent (headcount and skills) to meet current goals.
4. Map out future needs. Involve talent management in your organization's strategic planning meetings to determine talent requirements for future needs.

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