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The Impact of Talent Management for the Progress of Organization

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Abstract – In today's competitive economy, organizations need to continuously invest in human capital. In the role of business partner, HR leaders work closely with senior management to attract, hire, develop and retain talented employees. Yet competitive working environment, shortage of skilled employees leads to socio economic and cultural challenges as talent crosses borders. As a result the workforce trends such as shifting demographics, global supply chains, increasing global mobility, forward looking organizations must rethink their approach to talent management to best harness talent. Overall economic output is a function of the number of workers multiplied by hours per worker multiplied by productivity per hour. Assuming a shrinking workforce and a stable work week, productivity growth is the only lever for increasing economic output (Ken Berryman, 2003).

Keywords: Talent Management, Economic, Organizations, Business

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INTRODUCTION

Talent management is a successful business strategy – for organizations that see it as a long-term commitment. Reflecting on the realities of the post-2008 economic environment, the chief executive of a professional training and coaching company said that talent management strategies by definition must remain long-term, insisting, "The talent leader's focus goes beyond surviving until 2010; it's about thriving in 2015 – a goal only met with a solid leadership team and strong bench strength [8]." Some impressive household names from the corporate world also agree with that long-term view, Reports Ed Frauenheim in Workforce Management, "Despite an economy in turmoil, millions of jobs lost and sagging employee confidence nationwide, there's no reason to panic, say HR executives at some of the largest corporations in the world. The top people officers of McDonald's, Coca-Cola and Caterpillar are largely sticking to strategies for talent management developed before the recession got ugly in late 2008 [9]."

Moreover, employers that adopt and consistently renew their commitment to and investment in long-term talent management are doing all they can to have high visibility among available best-in class talent. In his article on talent management, Frauenheim quotes

Caterpillar's Chief HR Officer, who emphasizes this view: "We're still going to spend \$1.5 billion on research and development this year. So we know that we have to have a good pipeline of engineers in the good years and the bad. And we're absolutely committed to keeping that going [10]."

REVIEW OF LITERATURE:

The Impact of Talent Management on Retention During the last decade, a shortage has emerged of talent in the workplace (Frank & Taylor, 2004). As organizational leaders struggle to find talented workers, leaders will be faced with the dilemma of how to retain knowledgeable workers and replace the 70 million Baby Boomers who will be retiring from the workforce (Frank, Finnegan, & Taylor, 2004). Companies are now faced with the dilemma of how to address talent management and reformulate strategies especially in today's global economy where every organizational leader must continually invest in human capital to combat the talent shortage (Temkin, 2008).

Human resources ("HR") leaders will have to work closely with senior management to attract, hire, develop, and retain talent. Yet, HR leaders must realize that the talent shortage presents both socio-

economic and cultural challenges as talent crosses borders (McCauley & Wakefield, 2006). Socio-economic challenges include the changing demography, aging workforce (i.e., Baby Boomers), lack of comprehensive immigration legislation, global security concerns the global economic doldrums, and off shoring and outsourcing of jobs (Lockwood, 2006). Cultural challenges include cultural differences from country to country, the power of labor unions in different cultures, and management style differences (Frank et al.). Organization leaders must achieve long term stability from their talent management strategies to remain competitive in the global economy and not engage in short-term approaches that result in economic crisis, such as massive layoffs (Temkin, 2008)(Victor Oladapo, 2014).

Impact of talent management on employee performance and organizational efficiency:

The subject of talent management is frequently discussed, there are only a few empirical studies to date analyzing the impact of talent management on organizational performance. Nonetheless, a number of studies linking talent management and organizational performance have been published. These studies are mostly cross-sectional, but some others concentrate on particular sectors or specific sample groups. As a result, previous research has consistently found a positive relationship between talent management and organizational performance.

A first stream refers to an analytical technique to tie talent management to financial performance, a second stream emphasizes the process of analyzing and optimizing the talent management system, and authors aligned with the third stream appear to see analytics as a set of metrics and measures for use by different users.

Organization measures its talent management strategy:

Successful organizations evaluate the worth of every investment. Talent management is no exception. The question is not whether you should apply metrics to measure the impact of your investment on performance. It is purely a matter of selecting which metrics will make the most sense for your organization. For example, an advertising agency may focus heavily on revenue per full-time employee. A hospice may focus on how much it costs and how long it takes to hire full-time visiting nurses. For a manufacturing company, the emphasis might be on how much time it takes new employees to cross the threshold into full productivity.

CONCLUSION:

Talent management strategies are typically the product of customized local thinking. Expect no universal template that provides a silver bullet plan. According to Ernst & Young, "Talent management

programs run the gamut of maturity, sophistication and complexity. The most basic 'program' simply focuses on identifying individuals to fill open positions. At the other end of the continuum is a fully integrated approach that addresses all facets of the employee life cycle in advance of need and based on readiness, competencies and experience."

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