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## **TALENT MANAGEMENT - AN EFFECTIVE TOOL OF HR STRATEGY**

# Talent Management - An Effective Tool of HR Strategy

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**Abstract:** Peoples are, undoubtedly the best sources of an organization. Sourcing the best people from the industry has become the top most priority of the organizations today. In such a competitive scenario, talent management has become the key strategy to identify and filling the skill gap in a company by recruiting the high worth individuals from the industry. It is a never ending process that starts from targeting people. Talent management is responsible for maintaining the balance between entry and exit of talented people in an organization. The key to talent management understands the individual motivations, drives, and aptitudes of the person with the talent. Too many times management makes a huge mistake in assuming that since they are talented and have been promoted to a management position that the person they manage is motivated and driven by the same as they. But is not the case. This paper is an attempt to study the various factors responsible for managing talent and its need in an organization

## INTRODUCTION

Talent management is the integrated process of ensuring that an organization has a continuous supply of highly productive individuals in the right job, at the right time. Rather than a one-time event, talent management is a continuous process that plans talent needs, builds an image to attract the very best, ensures that new hires are immediately productive, helps to retain the very best, and facilitates the continuous movement of talent to where it can have the most impact within the organization. The goal of the talent management process is to increase overall workforce productivity through the improved attraction, retention, and utilization of talent.

The idea of managing talent is not new. Four or five decades ago, it was viewed as a peripheral responsibility best relegated to the personnel department. Now, talent management is an organizational function that is taken far more seriously. In The Conference Board's 2007 CEO Challenge study CEOs' rankings of the importance of "finding qualified managerial talent" increased by 10 percentage points or more when compared to the same research conducted just one year earlier. Research conducted in 2008 by DDI and the Economist Intelligence Unit(EIU)2found that 55 percent of executive level respondents said their firms' performance was likely or very likely to suffer in the near future due to insufficient leadership talent. This point of view was reiterated in one-on-one interviews with top executives, conducted as part of the same research study. This emphasis on talent management is inevitable given that, on average, companies now spend over one-third of their revenues on employee wages and benefits

## Process of Talent Management



- **Understanding the Requirement:** It is the preparatory stage and plays a crucial role in success of the whole process. The main objective is to determine the requirement of talent. The main activities of this stage are developing job description and job specifications.
- **Sourcing the Talent:** This is the second stage of talent management process that involves targeting the best talent of the industry. Searching for people according to the requirement is the main activity.
- **Attracting the Talent:** it is important to attract the talented people to work with you as the whole process revolves around this only. After all the main aim of talent management process is to hire the best people from the industry.

- **Recruiting the Talent:** The actual process of hiring starts from here. This is the stage when people are invited to join the organization.

- **Selecting the Talent:** This involves meeting with different people having same or different qualifications and skill sets as mentioned in job description. Candidates who qualify this round are invited to join the organization.

- **Training and Development:** After recruiting the best people, they are trained and developed to get the desired output.

- **Retention:** Certainly, it is the sole purpose of talent management process. Hiring them does not serve the purpose completely. Retention depends on various factors such as pay package, job specification, challenges involved in a job, designation, personal development of an employee, recognition, culture and the fit between job and talent.

- **Promotion:** No one can work in an organization at the same designation with same job responsibilities. Job enrichment plays an important role.

- **Competency Mapping:** Assessing employees' skills, development, ability and competency is the next step. If required, also focus on behaviour, attitude, knowledge and future possibilities of improvement. It gives you a brief idea if the person is fit for promoting further.

- **Performance Appraisal:** Measuring the actual performance of an employee is necessary to identify his or her true potential. It is to check whether the person can be loaded with extra responsibilities or not.

- **Career Planning:** If the individual can handle the work pressure and extra responsibilities well, the management needs to plan his or her career so that he or she feels rewarded. It is good to recognize their efforts to retain them for a longer period of time.

- **Succession Planning:** Succession planning is all about who will replace whom in near future. The employee who has given his best to the organization and has been serving it for a very long time definitely deserves to hold the top position. Management needs to plan about when and how succession will take place.

- **Exit:** The process ends when an individual gets retired or is no more a part of the organization.

**Key components of a highly effective talent management process include:**

1. A clear understanding of the organization's current and future business strategies.

2. Identification of the key gaps between the talent in place and the talent required to drive business success.

3. A sound talent management plan designed to close the talent gaps. It should also be integrated with strategic and business plans.

4. Accurate hiring and promotion decisions.

5. Connection of individual and team goals to corporate goals, and providing clear expectations and feedback to manage performance.

6. Development of talent to enhance performance in current positions as well as readiness for transition to the next level.

7. A focus not just on the talent strategy itself, but the elements required for successful execution.

8. Business impact and workforce effectiveness measurement during and after implementation.

**Primary Principles of Talent Management** The four primary factors that make the talent management approach unique include:

1. **An integrated approach within HR.** Talent management formally integrates people management programs and functions so that they work as a continuous process.

2. **Integrating people processes into standard business processes.** Talent management goes the next step and further repositions people management programs and processes into the company's standard business processes, such as the corporate strategic planning process, budgeting, mergers, and new product development.

3. **Shifting responsibility to managers.** Talent management pushes the accountability and the responsibility for executing people management down to the line management levels.

4. **Measuring success with productivity.** Talent management shifts the success measures from the more traditional HR and recruiting functional metrics towards measuring the overall productivity of the workforce.

**WHAT'S DRIVING THE CURRENT EMPHASIS ON 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. There is a demonstrated relationship between better talent and 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. To highlight just a few:

> A 2007 study from the Hackett Group found companies that excel at managing talent post earnings that are 15 percent higher than peers. For an average Fortune 500 company, such an improvement in performance means hundreds of millions of dollars.

> A study from IBM found public companies that are more effective at talent management had higher percentages of financial outperformers than groups of similar sized companies with less effective talent management.

> Similarly, a 2006 research study from McBassi & Co. revealed that high scorers in five categories of human capital management (leadership practices, employee engagement, knowledge accountability, workforce organization, and learning capacity) posted higher stock market returns and better safety records—two common business goals that are top of mind for today's senior leadership.

## **TIPS FOR MANAGING TALENT**

There are a number of basic criteria that outline an effective talent management strategy.

- The first is make sure they have all the tools and resources at their disposal to be able to effectively perform the work assigned.
- Communication is the second most important criteria. Make sure they understand clearly the scope of their responsibilities as well as provide them feedback as to how well they are performing them.
- Talent management requires less time than most managers would ever know. Those who possess talent are the ones who are getting the work done, they simply need to know that you respect them for the work skills they demonstrate and that you will assist them in any situation, when needed to effectively perform their required job responsibilities.
- Aligning recruiting efforts with strategy;
- Making sure the company's talent management practices fit with each other;
- Making deliberate effort to embed corporate culture into talent management processes such as hiring methods and leadership development;

- Getting involvement by managers at all levels, including the CEO;
- Figuring out the best balance of the company's global and local needs; and
- Finding ways to differentiate the company from its competitors.

## **SUGGESTIONS**

**Talent Management** is easily understood after attending one of Culture Index's Executive Workshops, which takes the Executive or Manager through the gamut of motivations and behaviors that employees possess as well as provides them with an outline on how to best produce the most amount of productivity from them.

Culture Index provides an assessment benchmarking talent and identifies the individual differences in people, thus making it very easy for the manager to manage and motivate to the individual instead of to themselves. Individual personalities are motivated by a great number of criteria, whether you follow Maslow's Theory of Hierarchy or someone else's it helps explain individual differences in motivation and how to manage to those differences.

An effective **Talent Management** Strategy is aligning people with corporate and business unit goals, requires the manager of that entity to get inside the mind of the talent, understanding, knowing, and then producing an environment for proper motivation. The Culture Index Program will instill in the Executives and Managers in attendance of the Workshop the knowledge for them to understand individual human motivations and how to maximize them in each individual in their business unit.

Managing talent is actually a very simple process. Once you have the right person in the right job, management actually becomes a very easy process. On going talent management is a daily exercise forcing the manager to think into the mentality of the talent working and reporting to them.

## **CONCLUSION**

Talent Management in organizations is not just limited to attracting the best people from the industry but it is a continuous process that involves sourcing, hiring, developing, retaining and promoting them while meeting the organization's requirements simultaneously. For instance, if an organization wants the best talent of its competitor to work with it, it needs to attract that person and offer him something that is far beyond his imagination to come and join and then stick to the organization. Only hiring him does not solve the purpose but getting the things

done from him is the main task. Therefore, it can be said that talent management is a full-fledged process that not only controls the entry of an employee but also his or her exit.

We all know that it's people who take the organization to the next level. To achieve success in business, the most important thing is to recognize the talent that can accompany you in achieving your goal. Attracting them to work for you and strategically fitting them at a right place in your organization is the next step. It is to be remembered that placing a candidate at a wrong place can multiply your problems regardless of the qualifications, skills, abilities and competency of that person. How brilliant he or she may be, but placing them at a wrong place defeats your sole purpose. The process of talent management is incomplete if you're unable to fit the best talent of the industry at the place where he or she should be.

Some organizations may find the whole process very unethical especially who are at the giving end (who loses their high-worth employee). But in this cut-throat competition where survival is a big question mark, the whole concept sounds fair. Every organization requires the best talent to survive and remain ahead in competition. Talent is the most important factor that drives an organization and takes it to a higher level, and therefore, can not be compromised at all. It won't be exaggerating saying talent management as a never-ending war for talent!

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[^ http://www.ere.net/2004/09/13/talent-management-defined-is-it-a-buzzword-or-a-major-breakthrough/](http://www.ere.net/2004/09/13/talent-management-defined-is-it-a-buzzword-or-a-major-breakthrough/)

[^ The People Problem in Talent Management](#)

[^ The Financial Value of Talent Management](#)