Best Practices In Talent Management

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Abstract: Organizations concur that to succeed in an ever-changing dynamic global economy, they must attract and retain the best talent. They strive to hire and retain talent as a crucial resource for best possible outcomes. Talent being an extremely scarce resource, gaps exist between the various levels in the organization and more predominantly at the higher levels. Even though the economic downturn created a truce between the organizations for talent, new stress is leveraged to hunt talented employees for organizations. The A-list players can work more even for less and special prerogative can be given to hire or retain the best talents who can further mentor their successors. Due to slowdown in the economies, many organizations are offloading their workforce but the layoffs should not be so deep so as to lose the talent just when economy recovers.

1. INTRODUCTION

The limelight on talent is not a budding concept but was a small responsibility of personnel department. Today, talent management is an integral organizational step taken far more critically. Researchers argue that due to lack of strong and effective leadership, a firm’s performance is likely to suffer serious damage in the near future. This view was repeatedly highlighted during one-on-one interview of top most executives in many studies. The prominence of talent management is unavoidable as on an average, companies dedicate nearly 35 percent of their revenues towards employee’s salaries and fringe benefits. When an organization creates a new idea of a product, competitors are bound to follow. Any price change is easily copied by the competition. When an organization enters a new demographic, competitors are right behind them with their alternative offerings. But trying to imitate a qualified and highly talented workforce will be next to impossible. The aptitude to hire and preserve talented employees at all levels is something that will give the companies a competitive edge over their counterparts.

Definition of talent management:

There is no dearth of definitions for talent management in the corporate world. It is a process that ascertains that organizations have the best quality and ample quantity of employees to meet their business objectives. It covers all key domains in an employee’s life including selection, training, performance appraisal and succession planning. Important features of talent management include:

- Unambiguous perception of organizational strategies, now and in future.
- Recognition of talent gaps between the business requirements and the present human resource
- A clear strategy to reduce the talent gaps by integrating business with strategic plans.
- Precise promotion and hiring strategies
- Interlinking individual and group goals with corporate targets and giving precise feedback to improve and escalate performances.
- Improving talent to better performances for the presently held positions including being prepared for conversion to the next stage.
- An emphasis not just on the talent strategy but also in its execution.
- Close supervision of the strategy implementation and its impact on the business.

The Driving Force behind Renewed Interest in Talent Management:

Organizations have repeatedly reiterated that there is a direct link between superior employees and excellent organizational outcome for many years. But what piqued the interests of the organizations recently?

- There are established assertions that better business performance is due to the high class talent employed. Therefore the businesses try to en cash their investment returns on talent.
- A 2007 research in Hackett Group deduced that companies posted nearly 15 percent higher earnings than their competitors when involved in minutely managing their talent. This means that returns are in hundreds of millions of dollars when it is a standard fortune 500 company.
- A study of IBM financed public organizations resulted in deductions that financial performance of companies engaged in talent management posted far better results than the companies that ignored their talent.
- In 2006, McBassi & Co. outlined five characteristics in human management (including employee engagement, workforce hierarchy, knowledge accountability, learning abilities and leadership behavior. The companies engaged in these activities posted better results than their peers with limited human management.
- Talent management is creating financial value for the companies in the form of assets like intellectual property, patents, people an brand names.
- As competition has become more multifaceted, it has become difficult to maintain an advantage for a long term. New ranges of products have short life cycles insisting on continuous innovation. Technology advancements have eased access to the data leading to constant up gradations.
- Global reach of MNCs have added to these difficulties- a typical company may base its headquarters in USA, its R&D facility in India and its sales operation headquarters in another country. The economic boom period is now followed by a state of economic depression and has now added greater emphasis on the importance of managing talent.
- Employees’ layoff due to lack of advancement and growth opportunities are throwing the management out of gear in managing talent. Shareholders and board members have high expectations with the
CEOs who are minutely scrutinized to create additional value and growth for the company.

- The pressure exists not just at the top level but throughout the organizational hierarchy placing further emphasis on managing the right talent.
- Even the employee expectations have undergone a sea change.
  - They are more devoted to strike a balance between work and personal life.
  - They are looking for interesting work that challenges them in most ways.
  - More devoted to their designation/profession than to the organization itself.
  - Equipped with taking charge of their careers and growth

Focusing on these innumerable tasks makes it difficult for the organizations to satisfy both the minds and the expectations of today’s personnel. Still it has to be done.

- Personnel demographic are also becoming more progressive. Majority of the workers exceeding 60 years of age prefer to put off their retreat from the job market owing to the financial upheaval as per a 2009 survey conducted by CareerBuilder. These workers continue to work in their job capacity robbing the younger minds of growth opportunities and thereby compelling them to search for alternative opportunities in other organizations.
- At any level, every delayed exit by the workforce will lead to contracting new hire capacity in an already constricting job setting.

Thriving practices in Talent Management:
Talent Management can help organizations all over the world to aim and accomplish superior performance through the course of employing, training and retaining the best talent. Some of the best practices to draft a talent management system are listed below:

I. Keep in mind the end objective and plan: Talent retention and management policies should be closely allied with the business objective. For talent management to be effective, the quality or quantities of the employees hired should be in tandem with business aims and objectives.

For Eg: Procter and Gamble finds “talent decisions and business decisions as one and the same thing”. The Aberdeen Group research study postulates that in nearly one-third of the exceptional performing companies, the business strategies will influence succession planning. Listed below are some of the examples of statements made by companies in the throes of merger and takeover and who regard talent retention as an integral part of their business strategies. “We have converged with one of the competing firms and face the problem of retaining the best talent out of its excess? How can we make sure that only the best are retained and not discarded in the redundancy melee? Who should oversee such layoffs? What will be the best strategy to manage the new company?” “We are into manufacturing and selling automobiles globally but now face diminishing market share. What level of talent can provide impetus to the dying brand name and provide us avenues to turn the tables?” “We will launch an epic drug in the following months and so will multiply our sales force in the following months. Not just in numbers but the new employees must be able to coordinate and establish a rapport with the physicians to push the brand”. The above listed examples provide clear link between talent and business growth and how it is imperative to hire the right talent to propel the growth of the businesses. The organizations are clearly listing talent as crucial to its business success. But companies still consider talent after drafting strategic plans in which defeats its purpose.

II. TALENT MANAGEMENT MUST BE MORE PRO-ACTIVE IN THE BUSINESS STRATEGIC PLAN:
HR management must be fully involved in the leadership and business strategies and not just listen in and follow the decisions made by the higher ups. They should act in the capacity of guides, advisors or pioneers when decisions are made regarding talent. Research isolates the reason behind gaping holes in the decision making and implementation of strategies as lack of involvement of HR management at the wheel of talent management. Most of the companies view HR as a strategic partner rather than a critical part of talent management. The CEOs value talent the most and consider them imperative for the success of the company. They engage in recruiting high-potential talent and resort to sprucing and refining their skills as a company cannot function to its utmost abilities without the right talent. Still some CEOs prefer to ignore the impact of talent by abandoning their mentoring obligations. Talent management, to be effective should be hard wired in the organizational operations where the senior management and HR operatives work in tandem. HR department should intertwine business plans and talent management plans to achieve the business objective. When slump exists the talent management executives can offer the key to overcoming such hurdles. In brief, HR executives should be entrusted to put in place, the talent management strategies.

III. SUCCESSION MANAGEMENT:
It is a known fact that companies view competencies to plan succession management and performance appraisal. Research shows that nearly four fifth of the global organizations have their business strategies aligned with the competency models. However, the organizations must also consider including “success profiles” in their competency criteria for better disclosure of talent. Firstly, success profiles can be integrated to manage talent, in keeping with the priorities of the business objectives. Secondly they also include additional capabilities like personal attributes, experience, knowledge and technical and professional behavior that will help to make informed decisions. The entire continuum of talent management can use success profiling including retaining the best talent and performance appraisal to training and development. The success of an organization to grow and prevail depends upon how it manages, develops and nurtures its talent.

CONCLUSION
This is a review paper, comprising of various theories and extant literature on best practices in talent management. This aper is written with a desire to explore literature in the area for developing conceptual model for further testing.
REFERENCES


