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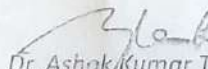
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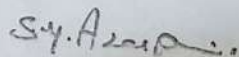
## NATIONAL CONFERENCE ON ADVANCED RESEARCH IN SCIENCE, ENGINEERING AND MANAGEMENT

### Certificate

This is to certify that Dr./ Mr./ Ms. PRAVEEN.B has participated /  
presented / published a research paper titled The Study on Talent Management  
in the National Conference on Advanced Research in Science, Engineering and Management held at  
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The study on

## **“Talent Management”**

### **ABSTRACT**

**The old cliché - no resource is more important than your people - still holds true today...well, that and cash flow!. You cannot afford to ignore talent management in your organization today, if you wish to stay in business tomorrow.**

In this competitive global world and increasing flexibility in industries, Talent management is gaining high importance. Talent management serves as the first step in fulfilling the needs of industries for a competitive, motivated and flexible Human Resource that can help achieve its objectives. It is a key aspect that contributes to the industries success or failure. This paper focuses on the concept of talent management and commonly encountered challenges while implementing talent management in industries. The researchers have done extensive literature review to build up the theoretical framework of talent management in industries. The finding of the paper highlights commonly followed talent management practices.

Talent management is a professional term that gained popularity in the late 1990s. Every person has a unique talent that suits a particular job profile and any other position will cause discomfort. Talent management refers to the process of attracting and retaining profitable employees, as it is increasingly more competitive between firms and of strategic importance, has come to be known as **"the war for talent"**.

The future of most businesses is reliant on the acquisition, development and retention of talented people to create the leadership capacity and talent required to implement new strategies so as to meet current and future business needs.

The need for talent and its expert management is always a difficult challenge as it involves tomorrow's star and ensuring they live up to expectations.

Key Words: Talent management, competitive global world, job profile.



## **Introduction**

Talent in general terms refers to the capabilities, skills or the art, a person possess in a particular field. It also refers to those people who have high potential, scarce knowledge and skill or who can successfully bring about transformation and change in the organization. Everyone has talent – too many to possibly name all. Talent is behavior; things we do more easily than the next person.

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.”**

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.

Talent management is a term that emerged in the 1990s to incorporate developments in Human Resources Management which placed more of an emphasis on the management of human resources or talent. The term was coined by David Watkins of Softscape published in an article in 1998.

Talent management referred exclusively to the development and replacement of top executives. Nowadays, there is recognition that attracting and retaining talented employees should take place on all levels within the organization. This idea leads to a shift from the idea of one single ladder (i.e. one talent pipeline focused only on (potential) leaders) towards the idea of multiple talent-ladders or pipelines. It aims at improving the potential of employees who are seen as being able to make a valuable difference for the organization, now or in the future. Moreover, talent management should improve organizational performance. However, talent management strongly focuses on (potential) leaders, which can cause organizations to forget the other groups of talents that are critical today.

## **OBJECTIVES OF THE STUDY**

1. To understand the need of Talent management.
2. To understand the role of leadership in attracting, managing and retaining talent.
3. To identify various challenges of Talent Management.
4. To study the impact of talent management on the performance of an organization.

Talent Management in an Organization, refers to those special steps an organization adopts to recruit, develop and retain its pool of top talent.



## **LITERATURE REVIEW**

The hardest mind-set to alter is the longstanding, deeply embedded belief that capital is the critical strategic resource to be managed and that senior managers' key responsibilities should center on its acquisition, allocation and effective use. For the vast majority of companies, that assumption simply is no longer true. Without denying the need for prudent use of financial resources, we believe that, for most companies today, capital is not the resource that constrains growth. Global capital markets have opened up the supply side, while widespread excess industry capacity has reduced the demand side.

Taylor (2007a) states that most definitions give a definition of what TM should consist of, instead of saying what it is. Therefore, he came to the following definition: —[t]alent management is making capabilities fit commitments‖ (Taylor, 2007a). He suggests that his definition is focusing on the aim of TM and he further argues that TM should not be seen as an individual aim but as an aim of the organization as a whole. TM should help the organization to ensure that it is able to do what it is set out to do today, but also in the future.

KARTHIKEYAN J, argues that Organization need to have a vision and a well defined strategy on hiring for the future. They are of the view that whether we have the right talent within to attract and retain the best available talent.

PANDIT Y V L Focusing on the challenge of attracting and retaining talent faced by Indian HR managers, the article outlines initiative that can be put in place to help organization retain nurture and retain the talent.

### **Needs of Talent Management**

- New cycles of business growth, often requiring different kinds of talent.
- Changing workforce demographics with reducing labour pools and, therefore a talent squeeze.
- More complex economic conditions which require segregated talent and talent management.
- Job mobility is increasing, as a result top performers change employers more than twice in their full careers.



## **RECENT STUDIES ON TALENT MANAGEMENT**

Studies on talent management reveal a number of common themes. First, the focus on talent management forces companies to become aware of—and assess—their workforce talent and current and future talent needs. Second, organizations that understand the business case for talent management successfully link talent management and organizational strategy, reaping benefits in increased workplace performance. Third, organizations are seeking effective ways to measure talent and determine bottom line impact.

### **• 2005 TALENT MANAGEMENT STRATEGIES SURVEY**

According to this study, 43% of companies see retention of key talent as the issue that will have the most impact on their business. Further, 72% of organizations are concerned about the negative effect on the bottom line due to inadequate skills of incoming workers. The study emphasizes that as baby boomers turn 62 in 2008 and skills gaps widen, the impending talent crisis will quickly become a global, cross-industry threat.

### **• THE HIGH - PERFORMANCE WORKFORCE STUDY 2004**

Executives in six countries spanning more than 15 industries were surveyed. The findings reveal six practices that dramatically improve workforce performance, yielding strong contributions to business performance. The number one practice is a formal process for talent management, supported by technologies, that enables an organization to objectively assess employee skills and capabilities and quickly identify the best candidates for open positions.

### **• SURVEY OF GLOBAL TALENT MANAGEMENT PRACTICES**

This survey explores global talent management practices among multinational companies (MNCs), focusing on global-scale processes to identify and develop leaders. According to the study findings, the most effective processes for identifying talent and increasing visibility of high potential candidates are assessment processes with open and frank discussions.

### **• HOW LEADING ORGANIZATIONS MANAGE TALENT**

From in-depth interviews with HR leaders of large employers in a variety of industries, this study reveals that leading companies make attracting, engaging and retaining employees a strategic business priority. Leadership focuses on clearly communicating the business strategy to the workforce as well as defining the role people play to execute that strategy.



Looking to the Future Anticipated workforce changes and cost-effective ways to access talent are key to the next generation of talent management. Predictive workforce monitoring will lead to effective strategic talent decision-making. Factors such as flexible talent sourcing, customized and personalized rewards, distributed and influential leadership, and unified and compassionate workplace cultures will be important for successful talent management. Companies will increasingly utilize different types of employment relationships, and nonstandard employment models will continue to evolve. Free agency employment relationships—contracting for the best talent on an as-needed basis—will become more common. To benefit from the knowledge, skills and corporate memory of mature workers.

### **Reasons to Invest In Talent Management**

- Now that we have set a definition of what talent management is, below are some of the top reasons why talent management is important and why your organisation needs to invest in it.
- **Employee motivation**: create more reasons for employees to be attracted to the organisation, such as a higher purpose or meaning for employees. 91% of employees surveyed by Chandler and Macleod said that they wanted more than just money to feel engaged and motivated.
- **Attract top talent**: Recruit the most talented and skilled employees available. When you have strategic talent management, you are able to create an employer brand, which organically attracts your ideal talent, and in turn contributes to higher levels of business performance and results.
- **Continuous coverage of critical roles**: an organisation will be prepared for gaps in critical skills and have a plan to address the critical roles and highly specialised roles in the workforce. This means that an organisation will have a continuous flow of employees to fill critical roles, which ensures operations run smoothly and your clients and stakeholders are satisfied. It also means that other employees are not left with extra workloads, which could eventually lead to burnout.
- **Increase employee performance**: It is easier to identify 'good fit' employees, rather than making decisions in recruitment which do not work towards the ideal organisational strategy. This can lead to less performance management issues and grievances. It will also ensure that the top talent within the organisation stays longer.
- **Engaged employees**: an organisation can make systematic and consistent decisions about development of staff, ensuring that the people you require it have the skills and



development necessary, and saving money on unnecessary development. Additionally, when there is a fair process for development, employees feel more engaged and this again increases retention rates and also ensures that the organisation can meet its operational requirements..

- **Retain top talent**: well-structured on-boarding practices create 69% higher levels of retention. This means that an organisation saves on recruitment and performance management costs in the long run.
- **Improve business performance**: when employees are engaged, skilled and motivated, they will work towards your business goals, which in turn increases client satisfaction and business performance.
- **Higher client satisfaction**: a systematic approach to talent management means that there is organisational wide integration and a consistent approach to management. This in turn translates to general communication and dissolving of silos within the business. When systems are more integrated, client satisfaction rates are usually higher, since they are dealing with less people and their needs are met faster.

## **THE ROLE OF LEADERSHIP IN TALENT MANAGEMENT**

The time for —talent is now, with leadership routinely discussing human capital as top source of competitive advantage. But moving business leaders from talking the talk to walking the walk remains a challenge. It's a critical challenge too, as talent management programs need to be driven from the top to ensure lasting success.

*“Leadership is not making friends and influencing people, i.e., salesmanship. It is the lifting of man’s visions to higher sights, the raising of man’s performance to higher standards, the building of man’s personality beyond its normal limitations.”*

--- Peter Drucker





Business leaders have the opportunity to define core elements of any strategic human capital initiative. From defining high-level business objectives to identifying critical roles and competencies that will end up defining the very nature of the talent culture, senior leadership plays a fundamental role.

Leaders, directors, and managers, who constitute the leadership in an organization, and members of the organization or workers, are required to maintain an organization's existence. Their competencies acquired through formal education and experience that improve the organization's productivity and revenues, are in essence the basis of human capital values. In order to maximize the human capital values, leadership in the organization should recognize the importance of the following aspects in human capital management:

- ❑ **TALENT** – Recruiting for the right talent through effective recruitment and identifying talents already embedded in the organization, and further develop these talents or potential capacity into needed competencies.
- ❑ **COMPETENCY** – Applying competency based human resources management whereby all job positions have the required competency profile well documented and individual competency level of incumbents periodically appraised.
- ❑ **TRAINING, EDUCATION, ON THE JOB EXPERIENCE** – Investing on improvement of individual competency in line with their respective talent into the required level of competency of the job position.
- ❑ **PLACEMENT, ROTATION, PERFORMANCE MANAGEMENT** – These are essential processes in managing talents and competencies: to develop the right talent for the right competency to carry out current or future job assignments. Good talent based manpower planning reduces development cost, cycle time, improve productivity, and creates employee satisfaction. Effective performance management leads to improvement of human capital values.

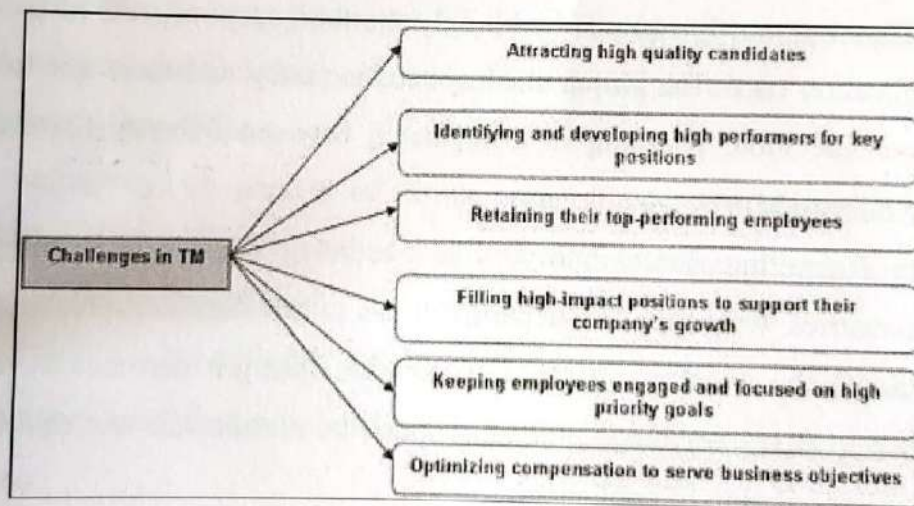


## Challenges of Talent Management

The challenges mentioned above show that the reasons for organizations to become more and more concerned with talent management are manifold. People are said to be the most critical asset for organizations and there is a new urgent necessity to use them to the largest extent. Due to new cycles of business growth and more complex economic conditions, organizations need different types of talent, which leads to having different pipelines, since all talents need to be attracted, developed, and retained. Besides leaders, other types of talents have become critical for organizations and they need their own forms of talent management.

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A global focus on leadership which is now permitting many levels of organization.

Current challenges and dilemmas in society that are related to talent management are discussed:

- ☐ The first challenge is the emergence of both the knowledge society and economy.
- ☐ A second challenge for organizations is the change of the employment relation.
- ☐ The third challenge organizations are facing is globalization.
- ☐ The fourth challenge is the increased diversity of the workforce. Because of the ageing population, a shortage in labour supply will occur, which forces organizations to make full use of all talent available. Therefore, organizations are becoming more diverse in terms of workforce composition.



### □ **Where to find new talent?**

All the organizations are finding loads of business opportunities and consequently, their revenues are growing at a rapid pace. The increasing business opportunities has necessitated that these organizations go in for massive recruitment. But, the question is where to find the best talent which is able to fit the job description and also adjust to the organization's values and norms. If we scan the environment, we find there is a shortage of skilled workforce that can be employed.

Some of the possible reasons that have led to the shortage are: -

- **Demographic constraints:** This is a common problem faced by many of the developed countries, where a large chunk of its population is nearing the age of retirement or is over 50 years. USA, Germany and Japan are facing the same problem. All these countries will see a decline in their workforce and talent. In the coming years, they will see a great shortage in their skilled professionals.
- **Existing educational system:** The graduates and the post- graduates that are being churned out of the universities are found to be ill-equipped to handle the challenges of the workplace. They are mostly equipped with only the theoretical aspects of the issues and lack the application part. The educational system is faulty and does not take industry needs into consideration, resulting in a mismatch between industry requirements and educational preparation.
- **Cost factor:** Recruiting new employees is becoming tougher and tougher in the developing countries, where the HR department has to sort out thousands of applications for a handful of jobs. Finding right person for the right job becomes a very difficult process. It also involves very high cost to conduct the recruitment and selection process for such a large population of applicants.
- **Attracting the best talent:** This is another challenge. As was the case in the past, the best available talent is not just motivated by the name and fame of the organization. Not anymore. They have a new set of motivators like - challenging work, conducive work environment and freedom from bureaucratic structure.
- **How to retain the existing employees?**  
Gone are the days when a person would join an organization in his mid-20s and would work till his retirement in the late-50s. Today the young professionals hop jobs, especially during the first 4-5 years of their work life. Though the Indian service industry is basking in the light of outsourced jobs from the developed countries, they also cannot



ignore the fact that the BPO industry is also facing one of the highest attrition rates, in fact never heard before in India, of around 35%. It is a fact that its the people that add value to organizations. It is also a fact that humans are a restless species who, unlike the immovable Banyan Tree, cannot stay rooted in one place. People need to move on for one reason or another, and the organization stands to lose.

Scenario planning and talent-match databases will become essential planning tools. In closing, to sustain outstanding business results in a global economy, organizations will rethink and reinvent their approaches to talent management. Effective talent management calls for strong participatory leadership, organizational buy-in, employee engagement and workplace scorecards with talent management metrics. Companies that master talent management will be well-positioned for long-term growth in workforce performance for years to come.

### **Solutions for the challenges of Talent Management**

Unemployment is at an all-time low. The job market is now largely candidate-driven, and there are more jobs available than candidates to fill them. For hiring professionals, that means it's getting harder and harder to find that perfect candidate to join the team.

#### **1. Identifying quality candidates**

According to the survey, 96 percent of hiring professionals wish they had better access to qualified candidates. But while the pool of qualified candidates has shrunk, hiring professionals may be focusing on the wrong criteria.

Todd Raphael of ERE Media says, "I find it sad -- for lack of a better word -- when I read about companies saying they can't find people. Are they looking for all people, or just young people?"

#### **2. Long lead time**

From reviewing résumés and conducting interviews to checking references and making an offer, the length of time between posting a job and getting someone in the door can be significant. But the best candidates are off the market within 10 days -- not even close to the average time to hire.

#### **3. Pressure to fill open positions**

Management is often eager to hire immediately, and so are hiring professionals - 86% want their hiring tasks accomplished in an efficient and time-saving manner. But with the difficulty in finding qualified candidates and other challenges, efficiency is not always one of HR's strong suits.



#### **4. Managing job postings**

Hiring professionals are using a variety of channels to spread the word about their open positions, but 79% of them find it challenging to post to multiple job boards simultaneously. Job boards aren't the only channels hiring professionals need to focus on, either. Social professional networks are actually the top source of quality hires, yet only 56% of hiring professionals use them.

#### **5. Collaborating with coworkers**

It's no secret that involving multiple people in the hiring process is beneficial. In fact, 94% of Work Connect by SAP survey respondents says multiple people are involved in a typical hire. But 86% wish it were easier to collaborate with their peers.

#### **6. Spending time on non-hiring tasks**

For many hiring professionals, the actual process of hiring has become only a small part of their responsibilities. Eighty-five percent of survey respondents spend a significant amount of time on employee training and development, while 82% spend time on compensation issues and 47% on benefits management.

### **CONCLUSION**

As organizations continue to pursue high performance and improved results through TM 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. It starts with recruiting and retaining talented people and continues by sustaining the knowledge and competencies across the entire workforce. With rapidly changing skill sets and job requirements, this becomes an increasingly difficult challenge for organizations. 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.



Finally, to conclude the future of organizations depends on how the whole organization and not just HR anticipates and reacts to changes in this era of talent shortages. They have a long way to go to lead organizations implement for reaching changes and bringing about transformation among the members of the organization. TM is a continuous process.

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