

STRATEGIC HR LEADERSHIP: KEY TO SUCCESSFUL TALENT MANAGEMENT

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ABSTRACT

Technological advances though have pushed businesses forward but they've also presented new challenges: finding the right people to help you get the right products to market-especially before your competitors-is harder than ever. This is complicated by the advent of online professional networks. While these networks can help recruiters more easily find new talent, they also make it possible for top performers to be found by other hungry recruiters and cherry pick talent for their next great job.

Some jobs are easily filled, but very often the talent the organization needs is scarce and the skill of recruiters in quickly finding and wooing that talent is essential. Line managers play a central role in human resource management. In many organizations, they are charged with myriad HR-related tasks, such as filling out performance appraisal forms, interviewing candidates for employment, making salary increase recommendations and breaking employment-related news-good and bad- to employees. Talent management is increasingly becoming a priority for companies and CEOs have new, more strategic expectations of their HR leadership. At the same time, HR leaders strive to be seen as more than transactional contributors and push for a seat at the executive planning table.

KEYWORDS: CEOs, Talent Management, Strategic HR leadership, Talent Review.

Introduction

Being responsible for one-third of a business' success already puts HR in a critical role. But it's not just about finding the best people-it's about finding the best people, at the lowest cost, with the lowest possible attrition and the best possible performance. And it's about guiding your executive team to the right decisions using the language they understand best: numbers. Talent management-covering everything from recruiting and compensation to ongoing education and retention-has traditionally been managed in silos, with a series of disparate systems & disconnected processes and reports. In the literature so far, the prevailing view has been that managers act primarily on behalf of the organisation, applying HR policy in ways by-and-large consistent with organisational procedures.

Managerial discretion has been an important concept in the economics and management literatures, from very different perspectives. In economics, managerial discretion refers to the freedom managers have to pursue their own objectives (pay, power, status and prestige) rather than shareholder interests: high discretion means managers are able to pursue personal objectives without being caught or punished (Williamson, 1963). In the management literature by contrast managerial discretion refers to the choice of actions available to managers in the pursuit of organisational goals: high discretion means managers have low environmental and organisational constraints on their choice of actions. (Hambrick and Finkelstein, 1987). Shen and Cho (2005) usefully integrated both points of view into a single

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framework which differentiates two aspects of managerial discretion: latitude of objectives and latitude of actions. Latitude of objectives refers to a manager's freedom to pursue their own objectives rather than those of other stakeholders. Latitude of actions, on the other hand, refers to differing ranges of actions available for managers to pursue organisational objectives. Today's CEOs and executives maintain that there are three key components to a successful business:

- You should have the right strategy,
- You should have the operations in place to execute that strategy, and
- You should have the best people at the workplace to execute those operations.

The strategic HR leader is expected to come to the table with hard numbers justifying merit increase requests; it's no longer enough to state industry trends or averages. Today's HR leader needs to holistically understand the workforce by function, category and location. It's clear that a shift is needed. The next generation of HR leadership is not about completing transactions-it about helping drive the CEO to great decisions and using technology to connect the dots throughout the entire organization. In a recent study conducted by HR.com and sponsored by Oracle, we found some gains and some definite areas for improvement by interviewing 50 HR leaders from Delhi NCR Region.

Objectives of the Study

The study explores two main areas:

- To identify talent management practices that are relevant for companies in present scenario; and
- To determine the extent to which companies have been able to integrate various talent management practices for a holistic view.

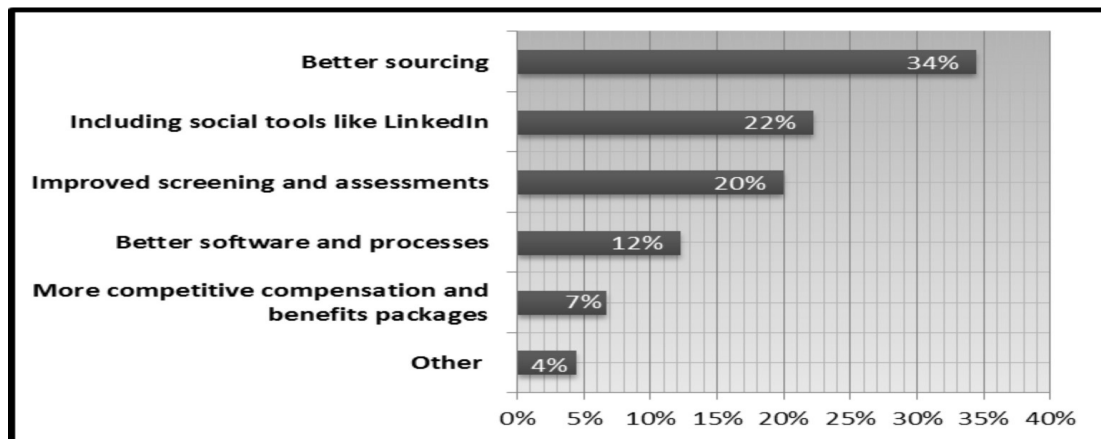
Research Methodology

50 HR leaders from various organisations in and around Delhi NCR Region were interviewed with the help of a structured questionnaire.

Data Analysis

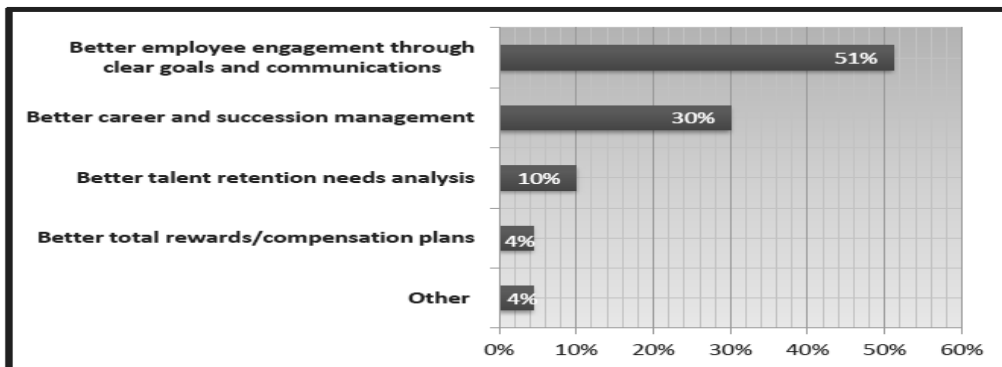
- **What has had the biggest impact on improving the time to fill your open positions?**

Filling positions quickly is important but warm bodies do not make for a successful business. As mentioned earlier, finding the best people is one of the three keys to a company's success. Recruiters know well that there can be considerable variation in ability even between candidates who have similar qualifications.



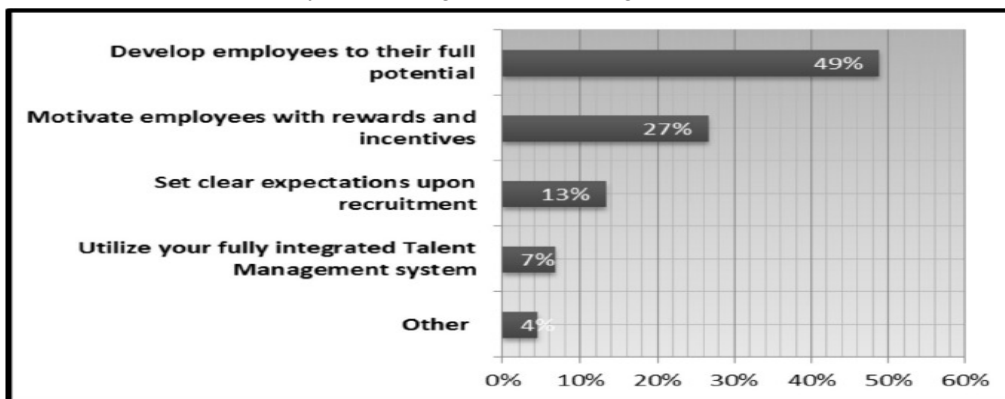
- **What are you focusing on most to improve talent retention?**

If finding the best people is essential to a company's success, keeping them is even more important. Just as with customers, finding new top talent is more time and resource-consuming than keeping the top talent you already have. Compensation and learning are primary factors in employee satisfaction, which ultimately leads to retention. When asked about general retention strategies, 80% of study participants reported focusing on one of two tactics: better employee engagement through clear goals and communication, and better career and succession management.



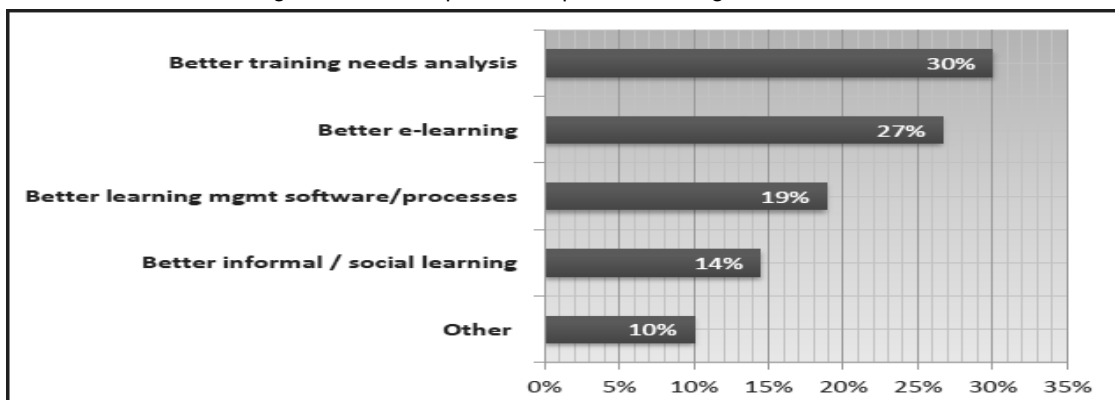
- **What is your organization’s main tactic for keeping top performers?**

Compensation is a crucial aspect of employee retention but keeping compensation under control is also critical to the company’s bottom line. The other finding of note was the effectiveness of non-financial rewards. In boom times companies may have been prone to simply increase compensation levels; in this less certain economy, we see organizations taking a more creative route.



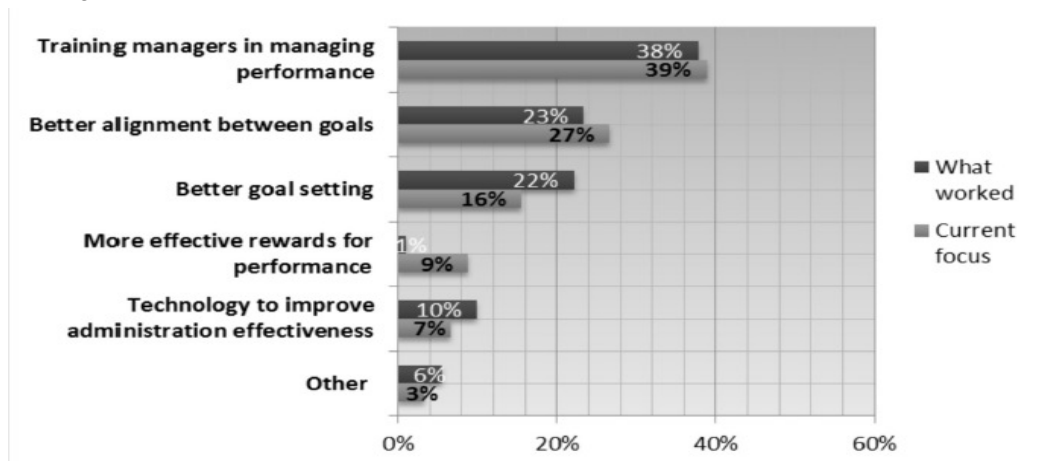
- **What are you focusing On Most to Further Improve Learning?**

It’s important to remember that top performers aren’t just out for a paycheck. Particularly with younger workers, the chance to continually learn on the job is a major factor in retention. So what are organizations doing to improve learning? The most common tack taken by this study’s participants is improving their training needs analysis to understand how and where to spend money (Figure 6). Getting nearly as much attention is e-learning, an increasingly popular training model due to its lower cost and increased flexibility for both companies and employees. Those who responded “other” mentioned a number of tactics including better follow up, more in-person training, and better documentation.



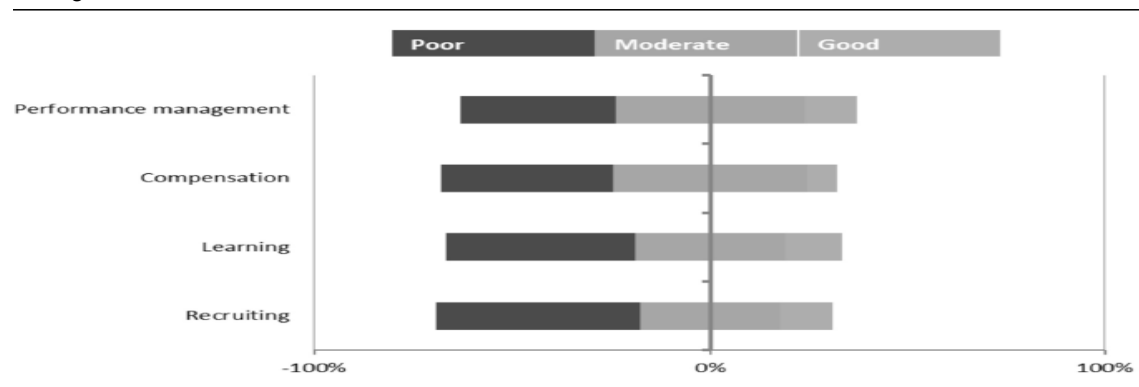
- **Performance management, what has worked and what are you working on?**

One of the most important elements of talent management is to go beyond the individual performance appraisals and look closely at the talent pool to identify and develop key talent. This process is typically called a 'talent review'. Organizations indicated that training managers in performance management has brought them the most success; this is also the area of greatest focus for continued improvement. The other two successful practices have been better alignment between goals and better goal setting.



- **How well integrated are your talent management applications?**

Soon after adopting new talent management applications, most organizations realize the need for integration. Our study shows that HR has a long way to go when it comes to integration. The majority of organizations surveyed report poor to moderate integration of their talent management applications. Performance management is a bit more likely to be well integrated than the other pillars of talent management.



Key Study Results

The following emerged as key tactics or trends in talent management based on the organizations surveyed for the study:

- Improving sourcing is thought to be the most effective way to decrease time to fill, though tactics like social networking and improved screening are close runners-up.
- 60% of organizations surveyed focus on one of two tactics to improve retention: better employee engagement through clear goals and communication, and better career and succession management.
- Employee development is the number one tactic used to retain top performers.
- Training managers are seen as the most effective way to improve the overall performance management process.

- Nearly 80% of organizations do talent reviews and a majority use technology to support this process.
- For the majority of organizations, the integration of talent management applications remains moderate or poor.

CONCLUSION

Talent management is increasingly becoming a priority for companies and CEOs have new, more strategic expectations of their HR leadership. At the same time, HR leaders strive to be seen as more than transactional contributors and push for a seat at the executive planning table. To elevate their roles and present CEOs with the thoughtful, proven talent intelligence demanded, HR leaders will need to make systems integration and clean, consistent data greater priorities. The talent management game has changed. Slower economic growth combined with a scarcity of talent to fill crucial positions, the advent of social networking and a new generation of digital natives, AND increased expectation from the top, mean that the days of transactional HR have long passed. HR leaders want a seat at the strategic table and CEOs want to give it to them. But to be able to make this leap from transactional to strategic, HR leaders need to put greater focus on tools, process and integration and stop addressing talent management in parts.

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