

TALENT MANAGEMENT: OPPORTUNITIES, CHALLENGES AND STRATEGIC IMPORTANCE IN A GLOBAL CONTEXT

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ABSTRACT

The present paper is about talent management. Talent management is about getting the organisation to its destination – today, and tomorrow. Talent Management is not something that happens by itself. It requires consistent and focused efforts in three areas like understand what your HR can do, deploy them better today and ensure they can do better tomorrow. The paper further discusses the importance of the role of talent management in the present global scenario. Companies can be benefited from developing and retaining the workforce they have and individuals can be benefited from a company that encourages and develops them to meet their aspirations. A Performance Management System is vital to achieving the goals of both the company and the individuals. Organizations can save hundreds of thousands of dollars by not only retaining the talent that are already working for the company, but increasing performance of the same individuals by working with them and initiating a performance management system. Initiating a talent management plan can also be used to attract the types of employees that you want to join your organization. Paper also deals with various opportunities that talent management offered before economic turndown and after economic turndown. Talent management have opportunities and challenges related to various issues like recruiting talent ,training and developing talent, retaining talent, developing leadership talent and creating talented ethical culture. The paper concludes with discussing the strategic importance of talent management.

Keywords: *Retaining Talent, Competency, Employee Development, Leadership, Work Culture.*

Introduction

Talent management refers to the skills of attracting highly skilled workers. It also includes integrating new workers, developing and retaining current workers to meet current and future business objectives.

Importance of Talent Management

Talent management is gaining increased attention in present business scenario. Talent management brings together many important human resources (HR) and management initiatives.

Organisations that formally decide to "manage their talent" undertake a strategic analysis of their current HR processes. This is done to ensure that a co-coordinated and performance oriented approach is adopted.

An important step is to identify the staff or employees (people and positions) that are critical to the organisation. They do not necessarily have to be senior staff members. Many organisations lost a lot of "organisational knowledge" in the downsizing exercises of a few years ago. The impact of the loss was not immediately apparent. However, it did not take long for many companies to realise their mistake when they did not have people with the knowledge and skills to either anticipate or solve problems that arose.

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The current discussions about skill shortages and the ageing population are also helping organisations to focus on the talent management issue. It may not be possible to simply go out and recruit new people to meet operational needs. Many leading companies have decided to develop their own people, rather than trying to hire fully skilled workers. Every organisation should be implementing talent management principles and approaches.

Talent Management: Opportunities and Challenges

The talent issue has clearly moved up the in recent times. In the past decade, organisations have invested heavily to implement Talent (HR) systems and processes. What factor made executives to focus on Talent Management? Largely it was because of perceived demographic trends and the effect of increasing globalisation.

Demographic Trends

Many Talent programs were focused on the top players. It was felt that activities directed at this group would give the best return on investment. But this is the past. Nowadays, companies can't afford to neglect the contributions of other employees. Several authors in recent years have rightly emphasized the valuable contributions of remaining players: capable, steady performers who make up the majority of any workforce and who "keep the business running".

Effect of Globalization

Due to increasing globalisation, talent is now spread over business units and departments in different locations and countries. The identification of talent thus gets harder. Companies claim that high potentials from Asia, South America and Eastern Europe lack the team work attitude, educational qualifications and cultural sensitivity needed to work internationally. However, in the not too distant future, organisations will need to be able to draw on the skills of managers from those regions which makes it all the more important for them to know how to identify the potential managers and leaders of the future.

Executives have already realised that their talent strategies cannot focus solely on the top performers. The effects of the long term demographic trends and the effects of globalization have already forced companies to re-think their target group for Talent Management. Organisations and their managers need to identify good performers early on in their careers and start paying real attention to them.

We are now experiencing the effects of the global economic downturn. Organisations are inevitably under pressure to generate cost savings: reducing manpower, introducing salary freezes and cutting budgets for training, coaching and entertainment. CEOs everywhere have to confront these issues and make announcements that keep analysts, shareholders and investors satisfied.

Costs saving measures are often used as window-dressing in harsh times. However, the quick announcement and implementation of cost-cutting measures can cause valuable talent to leave a company. It is not unknown for entire departments, management layers or business units to disappear through restructuring operations. For the remaining talents in the business units which were not affected by the measures, everything becomes less attractive; they believe they will receive little personal attention and less personal development.

We are already seeing in the newspapers reports of organisations making widespread redundancies and reducing the investment allocated for training and development. Business during a down turn is very much focused on the short term with the numbers being given priority. During such times, managers will be even less interested in the soft aspects of their role such as coaching. Once the downturn has ended, business will have learned lessons from the single focus on short-term revenue that brought excessive bonuses to managers. Some say this actually led to the credit crunch. Values and controls will change. By then, other measures like retention rate and the number of promotions will influence the level of bonuses and - as a result - the behaviors of managers will change.

But that could be too late. A downturn leads to an attitude of survival and people seek to hang on the jobs that they have. When the downturn is over and the tide has turned, the most talented and employable staff will leave. They are simply very employable and – by nature - very willing to change.

During a downturn it is vital for organisations to allocate their development investment and management attention to the real talents in their business. This is because there is still a long term War for Talent going on. Your competitors might not be sleeping. Are you giving your talented staff enough accountability, training, personal attention, job rotation, challenging projects, etc? Above all, do you know what makes a real talent? Is all of your talented staff on the radar map of HR?

It is a necessity and an **opportunity** to re-define your talent identification processes and to find out who the real talents in your organisation are. Companies should open up their TM processes and systems to a much wider audience of good performers in all layers of the organisation. This will ensure access to a wider supply of talented people. By providing individuals with this level of attention, you could also prevent them from leaving the company.

Now if we discuss the problem in the global context, it's the demographics that needs to be taken care of primarily and when we discuss the same in a local context the problem becomes a bit simpler and easier to tackle. Nonetheless global or local at the grass roots level talent management has to address similar concerns more or less.

It faces the following opportunities and challenges:

- Recruiting talent
- Training and Developing talent
- Retaining talent
- Developing Leadership talent
- Creating talented ethical culture
- **Recruiting Talent**

The recent economic downturn saw job cuts globally. Those who were most important to organizations in their understanding were retained, other were sacked. Similarly huge shuffles happened at the top leadership positions. They were seen as crisis managers unlike those who were deemed responsible for throwing organizations into troubled waters. It is the jurisdiction of talent management to get such people on onboard, who are enterprising but ensure that an organization does not suffer for the same.

- **Training and Developing Talent**

The downturn also opened the eyes of organizations to newer models of employment - part time or temporary workers. This is a new challenge to talent management, training and developing people who work on a contractual or project basis. What's more big a challenge is increasing the stake of these people in their work.

- **Retaining Talent**

While organizations focus on reducing employee overheads and sacking those who are unessential in the shorter run, it also spreads a wave of de motivation among those who are retained. An uncertainty about the firing axe looms in their mind. It is essential to maintain a psychological contract with employees those who have been fired as well as those who have been retained.

Talent Management Processes

- Heightened competition for skilled workers.
- Impending retirement of the baby boomers.
- Low levels of employee engagement.
- Acknowledgement of the high cost of turnover.
- Arduous demands of managing global workforces.
- Importance of succession planning.
- Off shoring and outsourcing trends.

This requires new thinking and a new mission to achieve business success. These factors coupled with the need to align people directly with corporate goals—are forcing HR to evolve from policy creation, cost reduction, process efficiency, and risk management to driving a new talent mindset in the organization.

Taleo's graphical representation emphasizes the mandate of talent management to respond to business goals and consequently be the driver of business performance. Talent management is depicted as a circular—not a linear—set of activities.



Conclusion

The definition of talent and talent management and the perceived value of having a talent process in place were complemented by a range of valuable findings that will prove to be useful for those organisations looking to establish their own approaches to talent. These are summarised as a successful approach is based on an agreed, organisation-wide definition of talent and talent management. Such definitions form the springboard from which both talent strategy and talent management processes can be launched.

In addition, a language for talent management activities that is understood by all the parties in the employment relationship is a strong requirement.

A proactive, strategic approach to talent management offers considerable organisational benefits in terms of developing a pool of talent as a resource to meet identified needs.

Support for talent management needs to flow from those at the very top of an organisation and cascade throughout. Engaging line managers from an early stage is critical to ensure that they are committed to organisational approaches to talent management.

Talent management can be used to enhance an organisation's image and support employer branding in the labour market, as well as provide a means of enhancing employee engagement to improve retention. Talent management activities should be developed with other HR policies and practice for a joined-up approach. Developing talent may be based on a blend of informal and formal methods. HR specialists have an important role to play in providing support and guidance in the design and development of approaches to talent management that will fit the needs of the organisation. Processes need to be developed to track the performance and progress of those identified as talent.

A final conclusion was that talent management is a dynamic process that has to be continuously reviewed to ensure that organisational requirements are still being met in the light of changing business priorities. Ultimately organisational success is the most effective evaluation of talent management.

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