

TALENT MANAGEMENT: OPPORTUNITIES AND CHALLENGES

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Abstract

Talent Management, as the name itself suggests is managing the aptitude, capability and control of employees within an organization. The concept is not restricted to recruiting the right candidate at the right time but it extends to exploring the concealed and extraordinary qualities of your employees and developing and encouraging them to get the desired results. Organizations are run by people, and the talent of these people will determine the success of organizations. So, talent management is management's main priority.

The purpose of this conceptual paper is to assess the challenges present today in Talent Management. The study is based on secondary data. Various journals, research papers, websites, books and other such material have been studied. The paper is original in its attempt to study the opportunities in Talent Management and the challenges faced by organizations in managing Talent. The findings from this study are that clear job roles must be defined by the management. The job roles must clearly outline necessary skill levels and competencies for each job. Further empirical research should be carried out in the area of Talent Management.

Keywords: Talent Management, Organizations, Challenges

Introduction

Talent Management denotes a premeditated approach taken up by an organization to attract, develop and retain people with the aptitude and abilities to meet not only the current requirements but also future organizational needs. Talent Management is beneficial to both the organization and the employees. In these days of highly competitive world, where change is the only constant factor, it is important for an organization to develop the most important resource of all - the Human Resource.

Talent Management is a strategic and holistic approach to both HR and business planning or a new route to organizational effectiveness. This improves the performance and the potential of people – the talent – who can make a measurable difference to the organization now and in future. And it aspires to yield enhanced performance among all levels in the workforce, thus allowing everyone to reach his/her potential.

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Literature Review:

Human resource is the core resource of any organization. Modern HR practices are improving the performance of modern working teams and management. Many studies argue that strategic approaches of Human Resource Management align the internal and external business dynamics into HR practices which is not that easy as it seems (Baron & Kreps, 1999; Baird & Meshoulam, 1988; Zupan & Kase, 2005).

Taylor (2007) 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: — [talent management is making capabilities fit commitments] (Taylor, 2007). 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.

The term Talent Management has been introduced in last decade with revolutionary definition of talent and talent management. Schon & Ian, (2009) worked on the issue titled as “The global war for talent”. It was stated that the last decade witnessed global changes that toughened the competition in pooling the talent internationally and talent management will become a challenging aspect of organizational development.

Richard et. al. (2011) evidently explains the need for talent management in different aspects. Talent management magnify the need of strong and robust HR structure in an organization.

Talent Management in organizations is not limited to attracting the best people from the industry but it is an ongoing process that involves sourcing, selecting, hiring, training, developing, retaining and promoting them while meeting the organization’s requirements simultaneously. Talent management is a full-fledged process that not only controls the entry of an employee but also his or her exit.

Objectives of Study:

1. To study the literature review of talent management
2. To study the process of talent management
3. To identify various challenges of Talent Management.

Methodology

The study is based on secondary data. Various journals, research papers, websites, books and other such material have been studied.

Benefits of Talent Management

Different organizations utilize talent management for their benefits. This is as per the size of the organization and their belief in the practice. The benefits of Talent Management are as follows:

1. Right Person-Job fit: Through a proper analysis of people skills and strengths, people decisions gain a strategic agenda. The skill or competency mapping allows the employer to take stock of skill inventories lying with the organization. There is a better alignment between an individual's interests and his job profile hence the job satisfaction is increased.

2. Retaining the best talent: Attrition is a major concern of organizations. Retaining the best talent is important for leadership and growth in the marketplace. Organisations that fail to retain their top talent are at the risk of losing out to competitors. The focus is now on forming employee retention programs and strategies to recruit, develop, retain and engage quality people.

3. Better Hiring: The quality of an organization is the quality of workforce it possesses. The best way to have talent at the top is have talent at the bottom. Talent management programs and trainings, hiring assessments have become an integral aspect of HR processes nowadays.

4. Understanding Employees Better: Employee assessments give deep insights to the management about their employees. Their development needs, career aspirations, strengths and weaknesses and abilities

5. Better professional development decisions: When an organization gets to know who its high potential is, it becomes easier to invest in their professional development.

All the above mentioned statements clearly indicate that the talent is unable to keep pace with the growing industry and also that the industry has failed to generate the pool of talented individuals as per its requirements. Business houses nowadays have diversified interests in different industries, employment opportunities are fast coming up but unfortunately the talent pool is shrinking.

People are, undoubtedly the best resources 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. The process regulates the entry and exit of talented people in an

organization. To sustain and stay ahead in business, talent management cannot be ignored. The stages in the process of talent management have been described below.

1. 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.

2. 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.

3. 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.

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

5. 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.

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

7. 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.

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

9. 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.

10. 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.

11. 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.

12. 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.

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

Talent Management process is very complex and is therefore, very difficult to handle. The sole purpose of the whole process is to place the right person at the right place at the right time. The main issue of concern is to establish a right fit between the job and the individual.

Opportunities and Challenges of Talent Management

Most of the organizations are short sighted, when it comes to people management. People management may not go well with pure capitalists. Organizations and industries are growing at a fast pace, faster than the rate at which talent is produced. There is dearth of talented and skilled professionals both at the top as well as bottom. Due to cut throat competition and a consequent lack of talented professionals the attrition rates have increased across all industries, especially so in services industry. Poaching has become common place; employee retention has become the Achilles heel of corporations. There is an acute shortage of talented professionals globally. The scenario is worse even in developing economies of south East Asia. Countries like U.S and many European countries have their own set of problems. The problem is of aging populations resulting in talent gaps at the top. The developing countries of south East Asia are a young population but quality of education system as a whole breeds a lot of talent problems. They possess plenty of labourers - skilled and unskilled and a huge man force of educated unemployable professionals. These are the opportunities and challenges that the talent management in organizations has to face today - dealing with demographic talent problems.

Assessing the problems in the global context, it is the demographics that need 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:

1. 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. 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.

2. 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.

3. Retaining Talent: 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. Investing on people development in crisis is the best thing an organization can do to retain its top talent.

4. Developing Leadership Talent: Leadership in action means an ability to take out of crisis situation, extract certainty out of uncertainty, set goals and driving change to ensure that the momentum is not lost. Identifying people from within the organization who should be invested upon is a critical talent management challenge.

5. Creating Talented Ethical Culture: Setting standards for ethical behaviour, increasing transparency, reducing complexities and developing a culture of reward and appreciation are still more challenges and opportunities for talent management.

6. Talent War: Finding and retaining the best talent is the most difficult aspect of HR management. HR survey consultancies are one in their view that organizations globally are facing a dearth of talented employees and it's often more difficult to retain them. Further research has also shown that there is clear link between talent issues and overall productivity.

7. Technology and Talent Management: Technology is increasingly getting introduced into people development. Online employee portals have become common place in organizations to offer easy access to employees to various benefits and schemes. In addition employees can also manage their careers through these portals and it also helps organizations understand their employees better.

8. Promoting Talent Internally: An individual is hired, when there is a fit between his abilities or skills and the requirements of the organization. The next step is enabling learning and development of the same so that he/she stays with the organization. This is employee retention. An enabled or empowered means an empowered organization.

9. Population Worries Globally: World populations are either young or aging. For example, stats have it that by 2050 60% of Europe's working population will be over 60! On the other hand a country like India can boast of a young population in the coming and present times. Population demographics are thus a disturbing factor for people managers. Still more researches have predicted that demographic changes in United States will lead to shortage of 10 million workers in the near future!

10. Talent Management to rescue HR: HR has been compelled to focus on qualitative aspects equally and even more than quantitative aspects like the head count etc. Through talent management more effort is now being laid on designing and maintaining employee scorecards and employee surveys for ensuring that talent is nurtured and grown perpetually.

Findings and Conclusion

The management, not only HR, should be responsible for ensuring that the clear job roles are defined. The job roles must clearly outline necessary skill levels and competencies for each job. The appropriate incentives, rewards and compensation by which success will be measured must be clearly determined. The management should ensure that the organization has the right person with the right skills in the right job at the right time to reach planned goals at every level.

Suggestions for Future Research

Further empirical research should be carried out in this direction. Multilevel studies considering organization and individual variables can be carried out.

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