Effective Talent Management Practices A case study –Research Communication

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Abstract

Talent management (TM) has become an imperative in the face of today's business challenges. Companies are increasingly realizing that successful TM is the key to high performance. The talent management is one of the primary management tool in 21century human assets management. This paper studied the strategies and practices of talent management and their impact on employee retention and effectiveness in changing work environment. Talent management is simply a process of recruitment of talents, developing the skills of existing workforce, promoting and retaining the employees, attracting highly talented and rated employees from other companies etc. Human resources department of each and every company practices talent management. For the purpose of the study, Data were collected from secondary sources includes journals, books, articles, newspapers, websites etc.

Key words: Strategies, recruitment ,retaining, promoting, workforce.

Introduction

Talent management is one of the primary management tools for 21century human asset management because the significant resource for firms competing in this century is no longer land, capital and other tangible assets but the human capital necessary to adapt organisations to global competition and maximize the benefits associated with the current technological boom. (Cappelli, 2008) Goffee and Jones (2007) defined talent as a handful of employees whose ideas, knowledge and skills give them the potential to produce the disproportionate value from the resource they have available from them. Tansley et. at.(2006) pointed out that talent can be considered as a complex amalgam of employees' skills, knowledge, cognitive ability and potential. Employees values and work preferences are also of major importance. Whilst, Ingham (2006) considered people who are in the key position, the leader team, the individual who has the scarce capability or make particular contribution to the organization is talent. At the same time, talent means the total of all the skills, knowledge, experience and behaviors' that a person has and brings to work. Talent therefore, is used as an all encompassing term to describe the human resources that organizations want to acquire and develop in order to meet their business goals (Cheese et. at 2008.)

The challenge of doing more with less in today's business environment has placed increasing demands on the workforce to be multi-skilled, flexible and independent. As technology continues to advance breaking down traditional barriers, new production methods introduced, increasingly demanding customers, shrinking product life cycles, the criticality of an organization's talent becomes a top priority for leaders. In order to effectively support business strategies leaders need to conceive, fashion and successfully champion explicit strategies to ensure access to sufficient talent flow and actively engage the organization's talent to achieve the business objectives (Sears, 2003). In countries like India where the demand for quality hires is rising day after day, it is a tough call for a HR professional to adopt suitable strategies for Talent Management.

Broadly speaking, talent management is the implementation of integrated strategies or systems designed to increase workplace productivity by developing improved processes for attracting, developing, retaining and utilizing people with the required skills and aptitude to meet current and future business needs. A recent study shows that 85% of HR executives state that the "single greatest challenge in workforce management is creating or maintaining their companies' ability to compete for talent". Without question, effective talent management provides one of the most critical points of strategic leverage today. Research confirms that organizations that excel in developing their people also tend to be high-performance businesses that dominate their markets

The ability to attract and retain talent is rapidly becoming one of the key issues for human resource managers and their organizations across the globe (Hilton, 1999). Research by Antonucci and Fegley (2005, 2006 respectively) shows that organizations are increasingly focusing on Talent Management. According to the Society for Human Resource Management's (SHRM) 2006 Talent Management Survey Report (SHRM, 2006), 53% of organizations have specific Talent Management initiatives in place and this increases to 86% for large organizations with 50 to 99 HR employees. Of these companies, 76% consider Talent Management to be a top priority (Fegley, 2006). According to Leigh Branham, Vice President, consulting service at Right Management Consultants and author of the book, "Keeping People Who Keep You in Business", a talent is not rare and precious. Everyone has talent too many to possibly name all. Talent is behavior; things we do more easily than the next person. We speak of "natural born talent" but those with a gift, knack, ability or flair for something can refine and develop that talent through experience. 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" (Saikia, 2009).

Vice President, HR of Seagram, Mr. Gopi Nambiar, says talent can be best described as a combination of abilities and attitudes. The real trick is to match the right motivated talents to the right role, individually
and collectively, harnessing and harmonizing this crucial attribute to achieve the objectives of your company (Saikia, 2009). Organizations that wish to secure and retain knowledgeable cadre, must require a strategy to attract, engage, recruit, develop and retain its talent. Accountability for

the success of talent management strategies usually falls squarely on the shoulders of the HR department. HR managers,
however oversee reformatting and executing of the processes of employee recruiting, development, administration and retention through the proficiencies of different levels in the organization (Dychtwald, Erickson and Morison, 2006)

Objectives of the paper

- To present a basic understanding of Talent management and why talent management strategy essential in organizations.

- To examine the role of effective Talent management strategy in building organizational success.

- To present ways to Talent management strategy that can help organization to achieve competitive advantage.

- To identify the various challenges of talent management.

- To identify the ways to retain the best talent.

- To measure the effectiveness and execution of talent management

Research Methodology:

This paper made an attempt to study based on secondary data which includes journals, books, articles, newspapers, websites etc.

Why is a Talent Strategy important?

A talent strategy will help you understand the skills, experience and
capabilities your organization needs to deliver its strategic objectives and
business plans. By reviewing your personnel and their roles you will start to see what you already have, what you will need to buy in, and what you need to develop to achieve your organization's goals. Despite the pressures of the current economic downturn, equality, diversity and talent remain high priority. In fact, it is at such difficult times that organizations most need to invest in their people.
A diverse workforce, that fully reflects our increasingly diverse society, is essential to our capability to meet the challenges of the future; not least because we need the innovation in thinking and delivery that diversity brings.
Failure to make such investment could mean we lose people -the wrong people-and lose along with them much of the richness and diversity of our future talent.

From an employer perspective?

Talent management can bring significant business benefits:

- Ensure that the leadership of your organization is rich and diverse;
- Help to achieve strategic business objectives;
- Build a high performance workplace;
- Encourage a culture of learning and development;
- Ensures value for money through targeting talent spend
- and ensuring talent is coherently managed
- Address diversity issues including the need to deliver diversity targets,
- and to eradicate direct and indirect discrimination
- Engage people; Retain talented people; and
- Enhance your image and position in the employment market.

From an individual perspective?

When we invest in talented people are more likely to:

- Engage with their work and be more effective;
- Be satisfied with their jobs and proud of their organization
- Recommend their employer to others;
- Have a good opinion of their managers;
- Feel that their performance is valued;
- Have stronger feelings of personal and professional growth and Accomplishment
- Feel valued and important to the success of the organization

Talent Management Crisis of India

Indian economy is growing in an unprecedented rate. A near double digit GDP growth rate powered by booming service sector and a resurgent manufacturing sector, the Indian economy is set to surpass all the powerful global economy by 2020. Report suggests that by 2020 Indian population will have an average age of 28 years. Currently 60% of the population has more than 30 years of productive work life. Rarely has any country had500 million people with so much productive work life. However the galloping economic growth and the young demography brings along with it many challenges. These challenges are linked to socio economic, educational, and demographic aspects of the society.

•Traditional education system which doesn't have any relevance to the new economy. India produces 3 million graduates and a half millions engineers annually. India' spool of university graduates is estimated to be 14 million-1.5 times that of China. Yet less than ¼ the of this pool are employable in organized industries, given poor linguistic and social skills. Equally, the curriculums are excessively focused on learning theories with very few skills applicable to industry of today.

- Estimates suggests that by the year 2010, Banking industry will add 1.1 million new jobs, Retailing will add 1.5 million jobs, Telecom 4.6 million and Hospitality 33million jobs. Widespread thrust on humanities based education, poor quality of vocational education and absence of vocational education in the service sector may find it difficult to cater to the demand for the required job holder .

- The scarcity of industry ready talent has resulted in too many employers targeting the same limited talent pool thereby enhancing the attrition rate to 20 to 30 percent across Indian industries (CII). Average attrition rate in BPO sector is hovering around35% in FY 2007, Average attrition rate in BFSI sector rose from 32% in FY 2006 to44% in FY 2007 and the manufacturing sector is also facing an attrition rate of 20%(Assoc ham)

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- Plummeting average work age leading to middle management talent crisis and the challenge of young leading the young. Relatively few middle level managers have significant age, experience and maturity gap when compared to their subordinate

Identification and Acquisition of talent

Talent identification is evaluating what the organization has (Supply) versus its needs (Demand) in terms of abilities, skills, knowledge, experience, numbers and commitment. Talent identification primarily aims at :
Translating organizational vision into goals and mapping the required level of capacities and competencies to achieve goals
Assessment of talent to profile the level of capacities and set of competencies possessed within the organization
Gap analysis and identification of development path for internal talent
Acquiring talent other than those available internally from the external market

Reliance retail has taken the following initiatives for talent acquisition:

All organized retail & big stand alone store manpower mapped.

Survey undertaken to understand consumer behavior and link it to key attributes for potential hires.
  -Creation of level wise compensation ranges for scientific lateral hiring and fitment.
  -Source of acquisition of talent used are Job portals (71%), Employee referrals (26%) and Head hunting (3%).

-Establish a scientific approach to hiring and position HR as a Business Partner.
-Tapping prospective candidates for Associate level positions from
-Livelihood Advanced B-School/ NGO's like Akshay Patra
-Computer Institute/Language/Coaching Institute/College
-Employee Referral scheme
-Employment Exchange

7. Ways Now a company Attract and Retain Talent (Without having to compete on salaries)

"The attitude around here is that the floggings will continue until morale improves." laughed my friend Tony. His company, an old-line manufacturer, was facing a number of problems. They had a militant union, managers were being forced to work long hours, burnout was high and turnover was constant. "We are the meat on the sandwich." he further confessed. "Below us we have staff who could not care less what we have to say and above us we have management who has no idea what we do." In spite of some of the best wages in their industry, this company was dealing with high sick leave and was struggling to retain good people.

Everybody knows the data. Boomers are retiring, there are four generations in the workplace and there is a shortage of talent. This is becoming critical in all sectors of the economy, especially the public sector, where there are strict limits on what people can be paid. So, what do people want? How can you attract and retain the best talent, especially if you are limited in how much compensation you can offer? Before we answer these questions, take a moment and think about yourself. You are the very person that any organization would want to keep. You have a choice between 2 employers. Organization 1 offers you a great environment. You are respected and are given flex time when you need to handle personal matters. You believe your work has meaning and your opinion counts. Organization 2 is very negative, full of unbending rules and unwritten norms. Nobody really cares or wants your ideas and your peers see you as a threat. The only advantage Organization 2 has over Organization 1 is that they are willing to pay you $10,000 a year more. When you answer that question for yourself, then you will understand from a deeper level how our 7 ways to attract and retain talent works.

1.Understand Your Current Culture

There is the culture you have and the culture you think you have. Does your current culture accept difference in others? Is there flexibility? How does current staff feel about working there? How are people promoted and/or rewarded?

An important element in understanding your current culture is the idea of values versus ethics. Many organizations write wonderful mission statements that have great values in them. However, values are only words. Ethics are actions. You may say that you value innovation, yet when people are promoted for keeping their heads low and not rocking the organization there is a clear message that the organization values conformity.

2.Meaningful Work

nobody ever goes to work and says to themselves in the morning, "Gee, I want to be really mediocre today." Recognition is an important component to meaningful work. When you recognize people for their accomplishments, they feel that their work has significance.

Replacements Ltd., a company out of Greensboro, N.C. sells replacements for china and silverware set pieces that go missing or get broken. They believe that their efforts are not just about selling old dishes so the company makes a profit. "Our people believe that when we find missing pieces to complete antique china sets we are helping people create links to their past. These pieces represent somebody's life, their history." comments C.E.O. Bob Page. "We have seen people cry because this represented the last remaining memory of a loved one." Replacements Ltd., like many organizations, encourage staff to be involved in the community and give them time off to participate in community projects. This volunteering, in partnership with the organization, gives both their lives and their careers deeper meanings.

3. Build career entrepreneurship

When you provide career entrepreneurship, you are moving from the ' loyalty' to a commitment mindset. In a 'loyalty' mindset, people are rewarded for simply being there a long time. In a commitment culture, Organizations clearly define what the individual is being offered in return for their services and provide internal career coaching to empower people to manage their own careers. How do you build career entrepreneurship? Allow people to set their career goals, provide them with the tools to reach those goals and let them measure their accomplishments. Helping people set their own roadmap and then allowing them to succeed will ensure that people are engaged.

4.Create a flexible work environment

Work-life balance is consistently rated as the one of the most important aspects for attracting and retaining talent. One U.S. federal agency had a turnover rate of close to 20% a year. Many people would work for this agency and after about 3 years leave to go to the private sector where they would earn almost double their salary within the government. Unable to compete in terms of wages offered, this agency started allowing people to work at home, create flexible hours and even introduced subsidized daycare to staff. The result? Turnover fell to slightly less than 5%.

5.Understand and embrace Real Diversity

Real diversity means going beyond issues of gender, ethnicity, or age. It means embracing people who not only look different but THINK differently. Many organizations are looking for people with industry or corporate experience. There are a lot of very talented people who have had their own businesses, work in different industries or have experience outside our borders. The fit that an organization should be most concerned with are whether the person believes in the values of the organization.

6.Streamline the hiring process

The decision making process for most organizations is now taking several months. It seems that everybody has to be part of the interview and decision-making process, even the janitor! People respond positively to the organization when you streamline the process and get back to people quickly, even if they did not get the position. Also, moving quickly gives you a significant competitive advantage over your competition.

7.On Boarding

Once you have brought somebody into the organization, you should have a 100 day plan worked out for them even before they start. Some effective techniques are providing them with a mentor/buddy who can help them adjust to the new workplace. A number of studies have shown that the first 100 days are critical for helping people feel 'part of the team' and, when they do, they are both more engaged and committed to the organization and its goals.

Talent Management Practices used in Organizations:

Job Stretch and Mobility:
In order to provide constant escalation to its employees, there must be the need of constant challenges, which enables them to regularly move around the organization and to frequently take on new tasks and responsibilities.

Mentoring:
It is one of the important practices of talent management,
which helps in uplifting the overall progress of an employee, related to
professional and personal front.

Self-determination and inspiration: Staff must always be given immense freedom to determine when, where, how and on what they work, especially the projects initiating the personal front, which will not only affect the quality of personal development but also speed up the working standard of an employee.

Deep Immersion:
There must be the introduction of merit based recognition and indulgence process, so that the new generation with innovative ideas, products and leadership quality, must be able to come forward and contribute their fruit full innovation towards the goal of an organization

Multiplicity of Talents and Personalities
The value of diversity in business seems obvious to most observers, but few leaders really know how to leverage the differences that people bring to the workplace.

Horizontal Growth Paths
Every organization must have introduced technical mastery programs to allow employee as an individual contributor and specialist to widen their knowledge and to be paid and recognized for it, which help in empower employees to broaden their knowledge within their disciplines and jobs.

Employing Dual-Career Couples: This is the newly accepted trend in which both members follow their own career and actively support each other's career development which will help them to adhere to the organization for long term.

Difficulties with Talent-Management

Linking talent management practices with a company's business, vision and strategy is a top issue for managers and one, which needs to be advanced even in a slow economy.

In order to meet the needs of the organizations it is very tough to and retain sufficient employees at all levels, as so many new organizations are coming and if the talented employees are not satisfied then they will try to find new options.

One of the biggest threats to any organization is to develop a strong leadership pipeline. Most of the organizations are facing biggest potential threats of lack of a robust talent pool from which to select future frontrunners. In today's nature it is very difficult to determine whether the individual have people skills, leadership capabilities and global diversity sensibilities which are required in today's competitor as compared to identify and assess the experts in a particular field and technicality knowledge. Thus for developing such broader skills in individuals organizations are giving training to develop and groom its own leaders.

A big threat most of the organizations are finding today is the migration of their talented employees in whom they have invested heavily and in whom they have hoped their future leaders.

The challenge of standardizing talent management practices and programs to attract and engage their young entrants is critically important for all organizations and particularly so for organizations that depend on a strong flow of top talent.

Result/Findings

For HR Executive
(i) Organizations attracting the right kind of personnel that will help it to grow, (ii) recruitment methods used are efficient and suitable, (iii) organizations has right talent for its present as well as future strategies, (iv) organizations uses competency based recruitment practices (competency identification and behavioral assessment) to hire the right staff,
(v) Managers consistently provide ongoing developmental feedback to support and encourage employee development, (vi) employees have a clear picture of skills they should build to support business growth, (vii) salaries and bonuses are linked to performance or the development of competences, (viii) managers are trained to select, identify, guide, coach, reward and retain their people, (ix) provide their employees with opportunities for growth and development of

employees, (x) CEO and Board of Directors are actively involved with leadership development activities, (xi) Formal succession management is used to fill executive positions throughout the Organization, (xii) provide meaningful pay differentiation to high performers/high potentials through bothbase and variable pay,

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For Executives (Excluding HR)

(i)Salary that employees receive is adequate, (ii) organizations offers bonus & incentives, (iii) sufficient perks are provided in the companies, (iv) organizations is much concern about career development & growth opportunities for future, (v) training programs provided by the organizations are adequate for development, (vi) employees believe that their job is challenging to fully utilize their capabilities, (vii) employees are satisfied with the company as a place to work compared to other places, (viii) HR policies are effective to keep employees motivated and retained with the Organizations, (ix) organizations are much concern about employee's quality of life, (x) organizations culture are now comfortable for employees (xi) policies and rules are uniformly applied to all, (xii) superior & concerned authorities are supportive to their subordinates, (xiii) senior managers treat all employees as equal, (xiv) employee's work is often recognized and praised by their superiors, (xv) management takes regular feedback from the employees

Conclusion

After reading all articles, journals & responses given by the employees of different organizations and their analysis the following is concluded

•Workforce planning & talent acquisition practices are effectively executed, organizations attract right kind of personnel and use suitable recruitment methods.

•Management is very much concerned about developing their employee's capabilities & performance by providing them the opportunities for growth and development through proper guidance and feedback.

•leadership and high potential development is on priority as CEO and Board of Directors are actively involved with leadership development activities.

•Formal succession management is used to fill executive positions throughout the organizations and they provide meaningful pay differentiation to high performers/high potentials.

•Organizations has given a top most priority to their retention strategy and adopt various techniques to retain competent employees with them through a long run; with the result that the rate of turnover is very low.

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