



## TALENT MANAGEMENT PRACTICES- EMERGING TRENDS & CHALLENGES IN INDIAN SCENARIO

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### INTRODUCTION

Talent management is a professional term that gained popularity in the late 1990s. It refers to the process of developing and fostering new workers through on boarding, developing and keeping current workers and attracting highly skilled workers at other companies to come work for your company. Talent Management in organizations is not just limited to attracting the best people from the industry but it is a continuous process that involves sourcing, hiring, developing, retaining and promoting them while meeting the organization's requirements simultaneously. Talent management can be a discipline as big as the HR function itself or a small bunch of initiatives aimed at people and organization development. Different organizations utilize talent management for their benefits. This is as per the size of the organization and their belief in the practice. Talent Management as the name itself suggests is managing the ability, competency and power of employees within an organization.

### CONCEPT OF TALENT, "TALENT MANAGEMENT"

The term '**talent**' is defined across differing sectors, and organizations may prefer to adopt their own interpretations rather than accepting universal or prescribed definitions. **Talent** consists of those individuals who can make a difference to organisational performance either through their immediate contribution or, in the longer-term, by demonstrating the highest levels of potential. Talent management refers to the anticipation of required human capital for an organization and the planning to meet those needs. Talent management presents opportunities for decision makers in both employing organisations and in public policy to make a significant difference to economic performance. The talent management strategy may be supported by technology such as HRIS (HR Information Systems) or HRMS (HR Management Systems).

Talent management is, at its core, a leadership mindset. It is a chosen culture that unleashes and aligns the passion, commitment, and performance of people at their highest level. It exists in the service of achieving the organization's mission, vision, and business goals. At an operational level, talent management is an organization's ability to attract, retain, and develop people. It creates a sustainable succession and leadership pipeline that ensures ongoing business success through planned and unplanned leadership transitions, and other business events.

### TALENT MANAGEMENT PROCESS

People from the industry have 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.

**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.

**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.

**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 maintain of talent management process is to hire the best people from the industry.



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

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

**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.

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

**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.

**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.

**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.

**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.

### **APPLICATION OF TALENT MANAGEMENT IN CURRENT ECONOMIC SCENARIO**

In wake of the economic recession, logically this is best time to validate the importance of talent management. Hiring and compensating the best talent in the industry optimally and ensuring performance at the same time. As per industry statistics only five percent of organizations possess a talent management strategy that is operational! In another ten percent the concept has just begun to develop.

**Developing Leadership Pool:** Succession planning and leadership development are two issues that have felt a sense of urgency after the recent economic downturn. Organizations have been seeking leadership positions to rescue them out of crisis.

**Performance Management:** After succession planning and leadership development, performance management comes next on the list. Without a thorough and standard way to measure performance it is not possible to promote right people to right positions and motivate them to perform for organizational growth and development.

**Recruitment Assumes Significance:** Recruitment becomes strategic so to say. Recruitment practices determine organizational effectiveness. In a tight labour market it a daunting task to attract the brightest talent towards your organization and then getting them on board. Internet has become an important source of external recruiting. Systems and standards have been laid down for the same. Here building an employer brand is important. Those who do, get right people on board.

**Skill based Manpower Planning:** Manpower planning is a strategic HR process these days. Instead of a mere headcount based hiring; manpower planning now extends to the locating critical skills, roles and responsibilities and then ascertaining current and future talent needs for those roles.



## **CURRENT TRENDS & CHALLENGES IN TALENT MANAGEMENT**

There is no dearth of professionals but there is an acute shortage of talented professionals globally. 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. It's important to Identify and manage the new issues in talent management in an increasingly globalized business environment. Effective talent management is the single most important factor that affects the survival and success of today's business organization in the global economy.

### **1. An Intensified War for Global Talent**

Multi-national companies are looking at the whole world as a common market and as a result, the geographic and cultural distinctions of talent are also blurring. There is a dearth of high-caliber talent even as the world economy goes through a prolonged situation of economic slowdown. Managements have increasingly realized that to survive and compete in the 21<sup>st</sup> century, they need to hire world class talent. So while maintaining a delicate balance between its human resource budget and the costs of hiring top-notch talent, there is a serious contention to attract the best available managerial talent for the organization.

### **2. Greater Stress on Upgrading Internal Talent**

Re-training of existing employees and upgrading their skills to match with the latest tools and technologies is at an all-time high. Employees are also realizing that unless they upgrade their learning, there is little chance of surviving in competition against fresh talent that is available at a cheaper cost and is equipped with the latest knowledge. Companies are also willing to retain their existing employees with proven loyalty and experience, as long as they are willing to rise up to the new challenges of a global economy.

### **3. Managing the Outsourcing Challenges**

One of the burning current issues in talent management is the rising phenomenon of outsourcing of local jobs and hiring of cheaper employees from the developing world in order to survive and compete in a tough global economy. There is a need to maintain a very delicate balance between hiring of foreign workers at lower costs and providing sufficient opportunities for local talent. Outsourcing appears to be a compulsion of the current times and organizations must find innovative ways to cut down their costs without discouraging or downsizing local talent. This requires a combined effort in skill enhancement and achieving higher productivity to justify the preference of local talent over offshore talent.

### **4. Balancing short-term Challenges with long-term Positioning**

A trend that will become more acute in 2013 is the need to balance shorter term financial challenges with longer term strategic needs – such as the imperative to build a brand that can attract talent over the longer term. Due to the economic climate, many companies are finding it hard to dedicate the time, resources and budget to develop and execute a talent strategy that will continue to attract colleagues in the short and long term. But in the next 12 months we will see organizations starting to put in place strategies to overcome this as their focus shifts to recovery and growth.

### **5. Global Complexity in Workforce Planning**

The globalization of workforce planning is a trend we will see more of in 2013 as organizations start – both through desire and necessity – to think about their talent more globally. As companies expand internationally, and different markets present more attractive business opportunities, they have to think about their workforce and talent in this way too.

### **6. The Rise of Talent Communities**

Consumerism will also underpin the continued maturation of talent pool management and the use of talent communities. The challenge, and in fact the opportunity in 2013, will be to build a sustainable strategy for



engaging internal and external talent. Organizations are battling with the fact that they know they will need talent at a point in the future, but in today's economic climate they don't have the luxury to hire them when they first encounter them.

### **7. The New Norm of Employee-Driven Development**

An engaged workforce is essential to drive growth and innovation – a continued struggle for businesses in 2012. The economic uncertainty has left workforces exhausted; employees feel insecure in their jobs and many feel that there is little to no commitment to them from their organization.

### **8. Minimizes the Innovation Gap**

HR technology solutions are becoming more engaging – a shift away from the monolithic systems that do little to engage the employee. Driven by a global business arena that is crying out for talent to reach its potential and excel solutions providers are innovating at a rapid rate. However the level of adoption within HR departments is patchy and is not increasing at the same rate – we believe in 2013 the gap between innovation and adoption will start to reduce – because it has to. More and more over the next 12 months, businesses will look to innovative products to give them the edge.

### **9. Increased Intention for Diversity**

Businesses will increasingly tend towards demanding greater diversity in the workplace in 2013. This will be particularly apparent in sectors such as engineering where there is a focus on gender equality and in markets such as North America where there is an all-industry push for diversity. The main driver behind this trend is its presence in the boardroom, with business leaders looking to HR to ensure their company represents society.

### **9. 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.

### **10. 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.

### **11. 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.

## **GUIDELINES FOR EFFECTIVE TALENT MANAGEMENT PRACTICES**

Systematic planning, a lot of persistence and adept execution of several key practices, any organization can create an enriching workplace.

**1. Job Stretch and Mobility:** Many organizations to grow, talented people need to be constantly challenged and stretched. This means the ability to take risks, to try new things, a - whether by doing something differently in an existing job or tackling an entirely new one. SEI Investments, a leading global provider of outsourced investment business solutions, has created an environment that provides continual challenge to staff and enables them to regularly move around the organization and to frequently take on new tasks and responsibilities.

**2. Mentoring:** Nothing speeds up the transfer of knowledge and know-how or enhances individual development more than a quality one-to-one dialogue between an experienced person and an up-and-comer. W.L. Gore, creator of Gore-Tex fabrics, is a mentoring-intensive organization. Managers are called "Sponsors" and act as advocates for their assigned staff. They commit to being knowledgeable about their activities, wellbeing, progress,



accomplishments, personal concerns and ambitions. Each associate has at least one sponsor and some have more than one.

**3. Freedom and Stimulation:** The environment in which people work can make a huge difference to the speed and quality of people development. Two ingredients essential to making a workplace conducive to learning are stimulation - through frequent exposure to a wide variety people and ideas and the freedom to explore and pursue individual ideas and passions. Google is a nirvana for the best and brightest technical talent in the world. The company's commitment to human capital is strong and was a core principle expressed in its now famous IPO filing in 2004. Staff are given huge amounts of freedom to determine when, where, how and on what they work. Each is allowed to spend 20% of their time each week working on personally initiated projects.

**4. Deep Immersion:** Particularly young up-and-comers, more than being asked to wait their turn before getting the opportunity to contribute to important projects or initiatives. This is not only demotivating to people but counter-productive to performance as opportunities to contribute depend more on tenure and pecking order than merit. Trilogy, a software company based in Austin Texas not only avoids this problem, but has created a fast-track, merit-based process that starts with every new hire. Its induction program is on steroids - goals are not only cultural induction, bonding and skill development but to create the company's next generation of ideas, products and leaders. The program is led and run by Trilogy's top executives, including its CEO.

**5. Teaching and Coaching:** This means having people in the organization - both managers and specialists - whose role it is to help others to grow, learn and realize their potential. Many organizations have de-emphasized this key task as pressure to meet quarterly performance targets have cascaded down to every level of the organization. Schools provide an inspiration and model from which other organizations can learn. They have teachers whose only job is to develop their student's skills and learning. While few organizations are positioned to employ full-time teachers, many should encourage and help managers and staff to take on this role. They can do this by explicitly acknowledging the value of teaching and coaching and including these responsibilities in the expectations and measures of performance set for managers and staff.

**6. Diversity 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. It regularly pairs younger and older workers together. Its "Lost in Space" program affords young staff the opportunity to move around the company on a regular basis during their first few years. This helps them to both develop new perspectives as well as inject their own fresh ideas throughout the business. Their "Trading Places" initiative let's people trade jobs as a way of gaining new experience and skills.

**7. Horizontal Growth Path:** Flattening of hierarchies in recent years has severely curtailed growth paths in many organizations. But growth shouldn't just be up the ladder or depend purely on acquiring managerial skills. Another productive growth path is horizontal and progressive organizations have created lateral paths that allow people to broaden their skills and knowledge within their disciplines and jobs.

## CONCLUSION

Talent management is now an essential management practice; what was once solely attached to recruitment now covers a multitude of areas. The information on career management and development, career planning, human resource planning, promotion, succession planning, talent audits, talent for competitive advantage, talent pools and war for talent. For Attracting and nurturing talent , a new framework for talent management , Adopting the principles and processes of talent management creates new opportunities to develop employee potential generating positive benefits .Talent management is both an art and a science that must be used effectively by an organization to achieve its corporate objectives. In the 21<sup>st</sup> century there are new challenges of globalization before the business organization, and new issues in talent management to deal with. Employee aspirations are high and there is an intensifying competition among the companies to attract and retain the best talent, even in the



midst of downsizing, cost cutting, mergers, acquisitions and alliances. In this scenario, it is imperative for the organization to focus its attention of smart talent management in order to be successful in an increasingly complex and competitive global economic environment.

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