

## **TALENT MANAGEMENT IN HRM- HOW TO RECRUIT TALENTS AND MANAGING TOP TALENTS**

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### **ABSTRACT**

Talent Management, often times referred to as Human Capital Management, is the process of recruiting, managing, assessing, developing and maintaining an organization's most important resource- people. It's pretty clear that people are a business's most important asset and in this regard, organizations are seeking ways to build data-driven decision making platforms. The current business and economic environment is exposing a host of weaknesses in the talent management practices of many organizations, as well as the lack of a comprehensive understanding of skills, capabilities, key workforces and top talent. Managing talent in a global organization is more complex and demanding than it is in a national business—and few major worldwide corporations have risen to the challenge. The objective of this paper is to retain the employees by managing their talent in organization. This paper talks about the need of managing top talents, the benefits which organization can achieve out of it, and introduces different ways of managing talent pools. It also links various processes of HR like recruitment, training and development, compensation and performance, to talent management.

**KEYWORDS:** Talent Management, Managing Talents

### **INTRODUCTION**

Talent management is a process that emerged in the 1990s and continues to be adopted, as more companies come to realize that their employees' talents and skills drive their business success. These companies develop plans and processes to track and manage their employee talent, including, attracting and recruiting qualified candidates with competitive backgrounds, managing and defining competitive salaries, training and development opportunities, performance management processes retention programs, promotion and transitioning.

Talent management is the systematic effort to recruit, develop and retain highly productive and promotable people'. (Rothwell and Kazanas 2004)

Talent management is defined as a systematic and dynamic process of discovering, developing and sustaining talent. What works depends on the context and the way the organization implements practices. So talent management may be organizational specific and dependent on the context, but could be defined as The systematic attraction, identification, development, engagement/retention and deployment of those individuals with high potential who are of particular value to an organisation'. (Chartered Institute of Personnel and Development 2006)

## RECRUITING THE TALENTS

Organizational success depends on effective recruitment and retention. To accomplish this goal, HR can provide value by focusing on five key areas: ensuring organizational stability, emphasizing employer brand and reputation, developing integrated talent strategies, supporting multilevel accountability, getting involved in talent management initiatives and offering opportunities for career and personal development.

Regarding recruitment and retention, HR has a number of challenges to address. According to

SHRM's *2006 Talent Management Survey Report*, the top areas in need of improvement regarding Talent management practices and strategies are

- Building a deeper reservoir of successors at every level
- Creating a culture that makes employees want to stay with the organization;
- Identifying gaps in current employee and candidate competency levels; and
- Creating policies that encourage career growth and development opportunities.

To attract and retain talent, hiring for compatibility—the “fit” between employer and employee—is critical. In addition, companies with excellent reputations and strong brands are well positioned to attract top talent. Yahoo! Inc. exemplifies the organization that effectively links organizational culture and company values in its recruiting initiatives to determine the best candidates. This process, however, takes time. For example, in the first six months of 2004, Yahoo spent 6,000 hours interviewing candidates to fill 500 positions—an average of 12 hours per new hire.

Another effective recruiting strategy is tapping into specific labor pools. By assessing the organization's areas of strength in its workplace programs and policies, HR may identify possible segments of the labor force to target. For example, women who have either not yet begun their careers or are reentering the labor market from childbearing years represent a sizeable talent pool. With a workplace environment supportive of women's career development, Whirlpool Corporation, a top U.S. home appliance maker, targets women in recruiting and promotion. Some organizations focus on workers with disabilities, an excellent source of talent.

For example, at IBM, 42% of the organization's disabled workers possess key skills such as marketing, IT architecture and software engineering. By carefully assessing the organization's current and Future talent needs, HR can develop recruiting and retention strategies that align with the company business goals, thus promoting organizational growth and sustainability.

Organizations classify their talents into following four categories and make their recruitment strategies accordingly

**Super Keeper:** Those employees who greatly exceed expectations now and are projected to do so in the future

**Keepers:** Those employees who exceed expectations now and are projected to do so in the future

**Solid Citizens:** Those employees who meet organization expectations and

**Misfits:** Those employees who are below organization expectations Employees are placed in this category when they are either weak performers or lack the competencies for doing their job

## HOW TO MANAGE TALENTS

Organization may adopt following steps to manage their talents

- Recognize talents
- Attract talents
- Select talents
- Retain talents
- Change organization's culture

Organization can invest their time and resources in discovering the strength and interests of its employees. Apart from that, employees should also be encouraged to discover their own latent talents. Employer branding by creating and sustaining a culture of mutual trust and growth may help organization in attracting top talents of the field.

Management should implement proven talent selection systems and tools to create profiles of the right people on the competencies of high performers. It's not simply a matter of finding "best and the brightest," it's about creating the right fit for today and tomorrow.

Successful organizations use a talent management model that contains the five assessment tools, or building blocks, listed below.

- Competency Assessment
- Performance Appraisal
- Potential Forecast
- Measurement Scales for Performance and Potential
- Succession Planning

### Competency Assessment

Competencies are the building blocks of a talent management system. They are any behavior, skill, knowledge, or other type of stated expectation that is crucial to the success of each employee and to the success of the entire organization. Competencies used for employee assessment must always include the organization's creed. Our research has determined that most organizations use between four and nine competencies in their talent management process. List of core competencies and their definitions.

- **Action Orientation:** Targets and achieves results, overcomes obstacles, accepts responsibility, establishes standards and responsibilities, creates a results-oriented environment, and follows through on actions.
- **Citizenship:** Demonstrates a commitment to the organization's stated creed, values, ethical codes, and principles of sustainability. Is honest, candid, and transparent in personal and business relationships. Exhibits integrity and builds trusting relationships with others.

- **Communication:** Communicates well, both verbally and in writing. Effectively conveys and shares information and ideas with others. Listens carefully and understands various viewpoints. Presents ideas clearly and concisely and understands relevant detail in presented information.
- **Creativity/Innovation:** Generates novel ideas and develops or improves existing and new systems that challenge the status quo, takes risks, and encourages innovation.
- **Customer Orientations:** Listens to customers, builds customer confidence, increases customer satisfaction, ensures commitments are met, sets appropriate customer expectations, and responds to customer needs.
- **Interpersonal Skill:** Effectively and productively engages with others and establishes trust, credibility, and confidence with them. Leadership- Motivates, empowers, inspires, collaborates with, and encourages others to succeed. Develops a culture where employees feel ownership in what they do and continually improve the business. Creates a clear vision, accurately communicates the vision, and gets others to behave in a way to support the vision.
- **Teamwork:** Knows when and how to attract, develop, reward, be part of, and utilize teams to optimize results. Acts to build trust, inspire enthusiasm, encourage others, and help resolve conflicts and develop consensus in supporting high-performance teams.
- **Technical/Functional Expertise:** Demonstrates strong technical/functional proficiencies and knowledge in required areas of expertise. Shows knowledge of company business and proficiency in the strategic and financial processes, including profit and loss (P&L) planning processes and their implications for the company.

### Performance Appraisal

A performance appraisal is a measurement of actual results Achieved within those areas for which the employee is held accountable and/or the Competencies deemed critical to job and organization success.

### Potential Forecast

A potential forecast is a prediction of how many levels (organization/ job) an employee can progress within an organization based on his or her past or current performance appraisals, training and development needs, career preferences, and actual and projected competency levels and positions that represent realistic future job opportunities. Like any forecast, an individual's potential is subject to periodic evaluation. It is heavily influenced by the quality of the input provided by different assessor groups and by a variety of situational factors associated with job conditions at different moments in time.

### Measurement Scales for Performance and Potential

Our large-scale study of organizations involved in some type of successful talent management process showed that the vast majority use a simple five-point scale to measure performance and potential. The most common scale for performance measurement is as follows: greatly exceeds expectations (5), exceeds expectations (4), meets expectations (3), below expectations (2), greatly below expectations (1). The most common scale for potential assessment is: high potential (5), promotable (4), lateral or job enrichment (3), marginal (2), none (1). Our conclusion is that most organizations discover that simpler is better. The scales are straightforward and they achieve credible results.

## Succession Planning

In the broadest sense, the process that seeks to identify replacement candidates for current incumbents, and potential future job openings, and to assess the time frames in which they can move to these positions. *Career Planning*: This process identifies potential next steps in an employee's career and his or her readiness for movement to new positions. Career planning merges the organization's assessment of employee growth readiness (succession plan), employee career preferences, and the likelihood that positions in a career path will become available.

## INTO THE FUTURE: TALENT MANAGEMENT

Talent management systems will be built on the following four pillars

- **Digitized Global Talent Pools:** Advances in social networking will facilitate smart sourcing by digitizing global talent and passive candidate pools. Technology will allow companies to reach social networks and more fully develop digital profiles of global talent, making passive candidates (that is, those not actively seeking positions) available to recruiters.
- **Succession and Career Viewpoints:** Predictive succession planning will automate recommendations for global succession plans by blending digitized talent pools with internally identified positions for succession development. Personal preferences and profiles will allow succession planning and career development to be automatically pushed to individuals. On-the-job training, mentoring, and buddy systems will deliver assistance for career path planning using virtualization and social networking rather than one-on-one counseling.
- **Developmental Views:** Simulation and gaming will be used for workforce development, and performance management will cease to be based on yearly reviews. Instead, users will receive continuous feedback based on business systems that monitor work. Development systems will use this information to make recommendations for advancement and/or corrective actions. With tools like Microsoft's ESP, companies will take advantage of simulations and gaming to help with skills development.
- **Business and Talent Management Orchestration:** By orchestrating business and talent management strategies and systems, organizations will blur the lines between talent management and business systems. Better tools will be delivered to simulate talent requirements based on fluctuations in business demand. Talent gaps will be automatically identified and reported.

## CONCLUSIONS

In this competitive business world, organizations should invest in Research and development to find the ways to retain talents and to pull productivity from them. Only then in coming time, organization can survive in the global competition.

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