

# **Talent management is as critical as Capital Investment**

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**Abstract :** *Talent management is a key HR function consisting of Planning, hiring, developing and retaining the talent in any organisation to ensure that the required talent pool is available to sustain the existing business, grow the business, strategic business decisions e.g Joint ventures, merger & acquisitions, setting new SBU.*

*In pre 1950 Era, organisations used to consider and treat talent as “worker/servant” and work culture was restricted to obey the order given by the promoter/manager. With the industrial globalisation and consumerism becoming the reality of business scenario, same worker/servant transformed into talent and been accepted as key role player in business form & performance at any stage of business.*

*In the present day organisations have ful-fledged and well geared up HR department which is tasked with Talent management. Talent management is one of the key KRA of HR teams in the organisations. HR teams are tasked with hiring goals with strict time lines and also keeping attrition within control limits.*

**Purpose :** *Purpose of this study is to understand the journey of evolution of Talent management from a basic “Worker/Servant” status to “Talent” and its importance in the organisation.*

**Key-words :** *Talent management, Job satisfaction, Employee engagement, Organisational performance.*

## **Introduction**

As global market becoming cut throat competitive the Industry has realised importance of acquiring and retaining talent best suited for its business goals. In the recent decades, Industry has started including Manpower factors in all its strategic capital investment decisions such as JV venture, Mergers & Acquisitions and setting up new SBU.

The Industry has escalated their HR department more aggressively geared up for understanding & undertaking Manpower due diligence and acquisition and retention to meet newer business challenges. In order to undertake such tasks HR departments are lead by strong & seasoned HR leader with astute strategic bent of mind, and HR departments have exclusive Talent Management team. These Talent management teams have their goals aligned with capital investment goals.

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The Talent management teams are given hiring targets and retention targets to ensure that any given time organisation is manned by desired skilled manpower to meet the organisational challenges and goals.

The HR leaders have their eyes on Talent need targets as critical goals for their teams. In meeting such targets the HR leaders regularly interact with business leaders and top management to cast their Talent planning & strategies aligned with the business goals. Such exercise is undertaken and concluded by Oct-Dec of each year keeping enough open room to re align with the changing needs of business goals due to various variable factors turning unfavourable / hostile.

### **Literature Review**

**Frynas, Millahi & Pigman.,(2006); Karim,( 2006); Barsade& Donald, (2007)** suggested that Business ventures and organizations should evolve their own pool of talent as per growing their needs to match demanding global business environment.

**Arporn (2008)** opined organisations must grow their human capital stock with the global needs, in terms of improving their performance and working style.

**Schon & Ian, (2009)** in their publication “The global war for talent” stated that global changes in market scenario has induce demand and competition in acquiring & retaining talent globally and advised talent management as challenging goal of organizational development.

**Richard et. al. (2011)** alerted the organisations for immediate need of talent management challenges and need of strong and robust Human Resource for success of an organization.

**(Inkson, 2008 & Rousseau, 2001)** referred a shift in the power relationship between employers and employees and stated that gradually, organizations are accepting consumerist a key reason for talent management a new business challenge.

**(Huang & Tansley, 2012)** stated that majority of publications on talent management do not offer a formal definition of their central concept.

**(Lewis & Heckman, 2006)** not many organizations have a talent management system in place.

**Iles, Preece, & Chuai, 2010; Tansley, 2011)** unanimously summed up that talent management add value over all the HRM strategies & practices.

**Ashton & Morton (2009)** Talent management includes managing demand & supply and continuous flow of talent in an organisation.

### **Need for Talent Management : strategic perspectives**

Though beginning from the very first step every business venture need talent management to achieve financial goals & growth but as at the inception stage most start-ups management have

other business challenges as their priorities than man power management without realising it one of the key need for the business success.

However growing organisations do understand this need and include Talent management as one of their key strategic goals for growth.

Following are key strategic perspective for talent management:

***a. Process orientation***

Most Organisations have well realised that days of person driven organisation are over, now the market is so competitive that need every business activity to be undertaken by employee with specific competencies for the role. All the business process strictly demand suitably qualified and armed with required behavioural competency for the role.

***b. Cultural need***

This perspective suggests that every organisation has its work culture customised to the management style and market challenges. Hence, most organisations in addition to technical skills and behaviroal competency also look for attitude as team member and team leader.

***c. Competitive edge***

In fierce competitive market, organisation's have one of the key challenge is continuous flow of talent pool to meet the growth plan and also market needs. Hence, organisations through its Talent management group hire, develop and retain sufficient talent for current, future and contingent competitive needs of the market.

***d. Human Resource Planning perspective***

Most organisations over the period have realised the importance of man power planning for two fold objective; 1. To have sufficient talent availability at all the times; 2. To have right person for the right job with right attitude. This process ensure continuous supply of desired human resource.

***e. Change management need perspective***

As organisation grows, at every new level it attains unless there is a continuous process of developing the existing manpower or inducting fresh talent in the system, at every stage of growth big lot of existing man power becomes redundant due to pace gap.

Hence, to meet the newer challenges organisation goes through "Change management process" which need induction of new leaders and also developing potential employees as leaders.

**Drivers for Talent Management**

Based on various perspective discussed above following factors are identified as Drivers for Talent Management :

- a. Attracting new Talent
- b. Hiring Talent
- c. Deploying right existing & new Talent
- d. Developing existing & new Talent
- e. Re-appropriation of existing talent
- f. Rationalisation of Talent pool
- g. Motivating Talent pool : Job satisfaction, Appropriate Compensation & benefits
- h. Engaging Talent pool
- i. Managing redundant Talent
- j. Maintaining controlled & healthy attrition
- k. Retaining desired Talent
- l. Succession planning

### **Employee engagement a key to Talent Management**

In roller – coaster journey of global Industrial development saw changing scenario of management perspective and accordingly change in Management strategy which began from Quality of product/service as Customer satisfaction to Customer satisfaction in terms of quality, post-sale services, value added services and lastly as Customer delight etc to transformation of management perspective to Employee satisfaction in terms of job satisfaction, growth opportunity, financial growth etc.

Finally, in the current business scenario Industrial growth journey reached a level where Industry accepted that managing Human capital is as costly & critical as decision and process of Capital investment and need great care in handling as it has direct impact on the employee performance, which ultimately affect organisational performance.

### **Talent management Best Practices**

Considering current business challenges at global level Talent management has become very critical & costly function for almost all the ambitious Organisations and accordingly they have included Talent management in key priority strategic decisions and HR leaders as team member of Business Strategic Group of the Organisation.

As most of the Talent Management Strategies focus on balancing Organisational talent needs and need for satisfied lot of desired talent pool, following Talent management strategies can be universally applicable :

- a. Recruitment & Induction Practices

- b. Supportive Top Management Team
- c. Talent Evaluation & Succession Planning Practices
- d. Performance Management Practices
- e. Compensation & Benefit Practices
- f. Organisational Leadership Development Culture
- g. Role based customised Leadership Development practices
- h. Talent management ROI analysis Practices

## **Conclusion**

Over the years due to changed business scenario globally, Talent management has evolved as key business strategic decision & functions as it has been proved that it is the desired talent which directly impacts Organisational performance.

Talent management includes activities/initiatives to Attracting, Inducting, Deploying, Developing, Assessing, Motivating, Satisfying existing and new talent pool.

Out of the key talent management strategies Employee Engagement plays vital role in ensuring the desired talent at any time & continuous flow of talent focusing on their performance aligned to organisational goals.

All ambitious organisations across the world have made sustained efforts to develop vibrant HR department to ensure a vibrant organisation armed with Talent with desired technical and behavioural competencies, apt attitude and potential for development & career growth.

As employee performance directly impacts organisational performance; Talent management is considered as costly & critical investment as Capital investment for any organisation.

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