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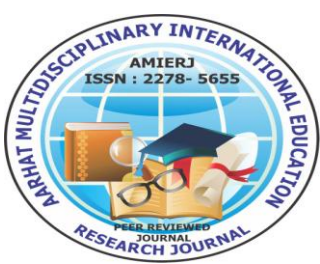
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**EFFECTIVE TALENT MANAGEMENT AS AN ORGANIZATIONAL TOOL TO GAIN
COMPETITIVE ADVANTAGE**

Dr. Mahesh U. Mangaonkar

Professor

Indira School of Business Studies (ISBS)

S. No. 82/9 A, Tathwade, Near Hinjewadi Bridge

Near Pune-Mumbai Express Highway, Pune-411033

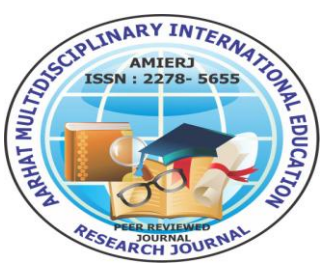
Abstract:

Every organization wants to get success in the competitive environment. One of the sources of getting success is to hire, develop and retain talented people. Though, the population is increasing day by day, the skilled manpower is scarce, as there is a significant gap between demand and supply of the skilled manpower. Talent management has become so important because it relates to all the aspects of an “employee’s life cycle”, i.e. selection, development, succession and performance management. Not only accurate hiring and promotion decisions but also enhancing the performance of the current positions to make them ready for the transition to the next level is the essence of talent management. Better business performance depends upon better talent. According to the 2006 research study from McBaasi and Co., two common business goals that are at the top of mind for today’s senior leadership viz. higher stock market returns and better safety records can be achieved through the high scores in the five categories of human capital management (leadership practices, employee engagement, knowledge accountability, workforce organization, and learning capacity).

Key words: Talent, Management, Performance, employee, engagement

Introduction:

DDI (Development Dimensions International Inc.) defines Talent Management as, “a mission critical process that ensures organizations have the quantity and quality of the people in



place to meet their current and future business priorities.” Talent management is a term that emerged in the 1990's to incorporate developments in Human Resource Management which placed more of an emphasis on the management of human resources or talent. The term was coined by David Watkins of Softscape published in an article in 1998.

To sustain a competitive advantage in the hyper competitive environment is becoming more difficult for the organizations. Competitive advantage is the condition which enables a company to operate in a more efficient or otherwise higher-quality manner than the companies it competes with, and which results in benefits accruing to that company. New products have shorter life cycle demanding constant innovation. According to a 2009 survey by CareerBuilder 60 percent of workers over the age 60 are electing to postpone their retirement due to financial crisis. Thus, at all levels each deferred exit from the work force is one less new hire in an already depressed job market. A planned approach to talent management is essentially important as organizations place more emphasis on “growing their own leaders” rather than making often risky outside hires. A pro-active succession process should be in place. Individuals who create values for the organizations should be the prospect to invest for providing incentives. The philosophy is “Invest in the Best”.

Objectives of the study:

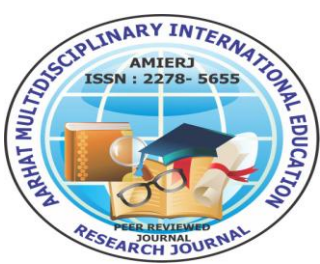
- 1) To analyze and understand the process of talent management.
- 2) To find out the measures for talent management.
- 3) To explain how talent management is an effective organizational tool to gain competitive advantage.

Research Methodology:

This is an exploratory research. The researcher has collected the information by using the secondary data source. The data is collected by referring books, newspapers, and websites.

Scope of the study:

Talent management has become so important because it relates to all the aspects of an “employee’s life cycle”, i.e. selection, development, succession and performance



management. The present study analyzes the process of strategic management and identifies the measures for effective talent management.

Review of Relevant Literature:

Judy Scheuler, Phyllis Snyder, John Zappa, “Talent Management and Employee Learning for Healthcare Industry”, (Webinar, April 23, 2009) mentions that Finding qualified staff, Preparing employees at all levels for new technology such as online records, Using learning and development to increase employee engagement, Retaining critical talent are the most critical workforce issue that health care industry is facing

Gina Abudi, “Importance of Talent Management”, 24th Nov. 2010, (www.abudi.com) mentions that Regardless of the size of your company, there are a variety of ways to incorporate talent management practices. In a smaller company, great value in getting employees involved in the process. She further explains that it may not be able to compete with big salaries provided by larger organizations, bear in mind salary is rarely a deciding factor for employees – so much more is important to them over salary.

Tim Sanders, author of *Saving the World at Work* “Talent Management: Why Value-Based Employees Make Great Employees”, mentions that companies that hire, develop and manage “value-based” employees and employ innovative socially-conscious business solutions will be the ones that thrive going forward.

Process of talent management:

The process of talent management consists of 7 different steps which are explained below:

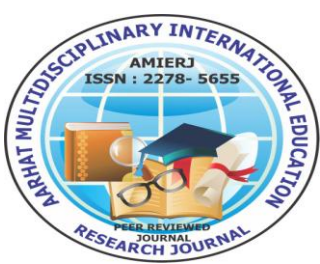
- 1) **Workforce planning:** Workforce planning is a systematized methodology identifying human capital requirements to meet corporate goals and develop the strategies (approaches) to meet these objectives.
- 2) **Recruitment:** According to Edwin B. Flippo recruitment is process of searching the candidates for employment and stimulating them to apply for jobs in the organization. Recruitment needs are of three types:

- i) Planned needs i.e. the needs arising from changes in organization and retirement policy.
- ii) Anticipated needs i.e. needs are those movements in personnel, which an organization can predict by studying trends in internal and external environment.
- iii) Unexpected needs i.e. Resignation, deaths, accidents, illness give rise to unexpected needs.

3) Performance Management: Performance management is the process of creating a work environment or setting in which people are enabled to perform to the best of their abilities. Performance management is a whole work system that begins when a job is defined as needed. It ends when an employee leaves your organization. A performance management system includes the following actions.

Develop clear job descriptions.

- Select appropriate people with an appropriate selection process.
- Negotiate requirements and accomplishment-based performance standards, outcomes, and measures.
- Provide effective orientation, education, and training.
- Provide on-going coaching and feedback.
- Conduct quarterly performance development discussions.
- Design effective compensation and recognition systems that reward people for their contributions.
- Provide promotional/career development opportunities for staff.



- Assist with exit interviews to understand WHY valued employees leave the organization.

4) Training and Performance support:

Training is the systematic analytical based designing of methods and media so as to enable an individual or group to learn predetermined knowledge and/or processes against predetermined objectives and apply it to a required standard.

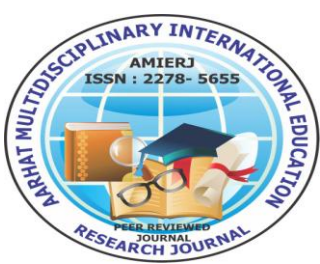
Performance support is the result of activities which are both effective and efficient. In short, this means doing the right things and doing them well. The purpose of performance support is to enable segments of the organization to monitor certain aspects of their Solution-Centered Support adoption and determine areas where attention would be appropriate to enhance performance.

5) Succession Planning:

Succession planning is a process whereby an organization ensures that employees are recruited and developed to fill each key role within the company. Through your succession planning process, you recruit superior employees, develop their knowledge, skills, and abilities, and prepare them for advancement or promotion into ever more challenging roles. Actively pursuing succession planning ensures that employees are constantly developed to fill each needed role. As your organization expands, loses key employees, provides promotional opportunities, and increases sales, your succession planning guarantees that you have employees on hand ready and waiting to fill new roles. Effective, proactive succession planning leaves your organization well prepared for expansion, the loss of a key employee, filling a new, needed job, employee promotions, and organizational redesign for opportunities. Successful succession planning builds bench strength.

6) Compensation and Benefits:

Compensation includes topics in regard to wage and/or salary programs and structures, for example, salary ranges for job descriptions, merit-based programs, bonus-based



programs, commission-based programs, etc. Employee benefits typically refers to retirement plans, health life insurance, life insurance, disability insurance, vacation, employee stock ownership plans, etc. Benefits are increasingly expensive for businesses to provide to employees, so the range and options of benefits are changing rapidly to include, for example, flexible benefit plans.

7) Critical skills gap analysis:

Performing a skill gap analysis will help a trainer understand gaps in performance and possible areas for training and development.

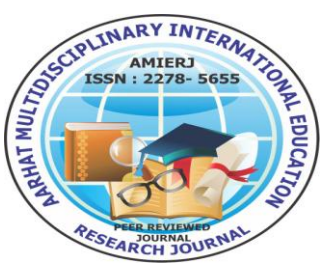
Talent management- a tool to gain competitive advantage:

Competitive advantage is defined as the strategic advantage one business entity has over its rival entities within its competitive industry. Achieving Competitive Advantage strengthens and positions a business better within the business environment.

In order for organizations to gain competitive advantage they need to develop a strategic approach to talent management that suits their business and gets the best from their people. The value of a tailored, organization-wide talent management process is that it provides a focus for investment in human capital and places the subject high on the corporate agenda. It can also contribute to other strategic objectives, including:

- building a high performance workplace
- encouraging a learning organization
- adding value to the employer of choice and branding agenda
- contributing to diversity management.

Talent consists of those individuals who can make a difference to organizational performance, either through their immediate contribution or in the longer-term by demonstrating the highest levels of potential. Talent management is the systematic attraction, identification,



development, engagement/ retention and deployment of those individuals who are of particular value to an organization, either in view of their ‘high potential’ for the future or because they are fulfilling business/operation-critical roles. It is not enough to just attract individuals with high potential. Developing, managing and retaining those individuals as part of a planned strategy for talent is equally important, as is adopting systems to measure the return on this investment. Ensuring that the talent strategy is closely aligned with the corporate strategy must be a priority.

Observations and findings:

The identified measures for effective talent management are as follows:

1) Communicate with Your Employees:

- i) Share information about new learning opportunities to prepare for growth and advancement
- ii) Let them know what the organization provides and what their responsibility is
- iii) Offer advising to help them choose the right career pathway
- iv) Reach out to employees through multiple modalities, including web-based and in person communication

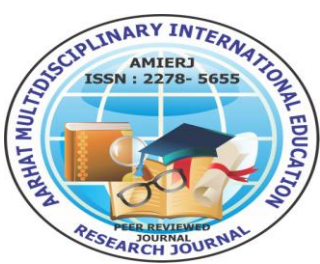
2) Invest in Assets: If people are your greatest asset:

- Know your talent needs
- Define your pipeline
- Invest in your people

3) Set clear talent management goals and measure progress against them on a regular basis.

4) Determine metrics at the outset, using indicators like an increase in retention

5) Track and publicize advancement of employees along career path



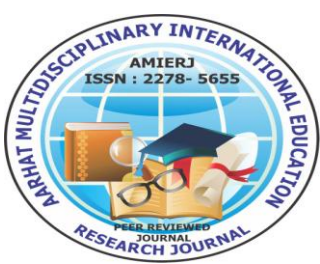
6) Provide an Effective Workplace: some of the requisites of the effective work place are Economic security, Job satisfaction, Job challenge and learning, Supervisor should be supportive when employees have a work problem, supervisor should recognize the good work done by the employees, climate of respect and trust should exist in the organization, career advancement opportunities should be provided by the organization.

Conclusion:

Managing talent is not something that a company falls into - it's a deliberate undertaking that can be advantageous to the company and each of the individuals within the organization. Since nearly all competitive business factors have become commoditized, talent is what ultimately drives business success and creates value.

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