

Talent Management

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Abstract

The world is living in a very competitive business environment, which demands high-skilled management of human resources available in business organizations, so as to make the organizations viable to compete. There is increased demand for human resource, which requires organizations to look for talented human resource in order to minimize costs associated with resource management and improve business output of the organization. The talent-hungry market faces a major challenge of successfully attracting, assessing, training and retaining talented employees. The work that follows will discuss talent management in human management capital.

Key words: Talent Management, Human Management Capital, Human Resource Management.

1. Introduction

Shukla (2009) defines Talent management is the process, in which an organization recruits, manages, assesses, develops and maintains its human resource. It is an organization's ability to select the right people for the business, develop the potential in them and encourage their enthusiasm. Human Capital Management is a strategic approach to people management that aims at issues critical to success of an organization (Baron and Michael, 2007). It is creating and demonstrating what talented people and their management add to an organization. Human resource management refers to the people that an organization has employed to help in its operation towards achieving their set goals. Sims (2007) confirms that they are used as the key factors to the organization's progress.

The present business world faces stiff competition from a different organization that has ventured in the business market. Consumers have changed their purchasing behaviors and motives towards different products produced in the market. The influx of many organizations in the market contributes to changes in management and operation of organizations in the market. Availability of labor has become a challenge for organizations because there is a high competition for the few labor force that exists.

In order to get the best workforce to meet the demands, organizations are looking for talented laborers who will contribute to the progress of the organizations. However, there are challenges resulting from how the organizations will, attract, assess, train and retain talented employees (Shukla, 2009). Challenges also occur because of the increase in demand for employment even from untalented job seekers. It becomes difficult for organizations to get the best for their business, and the challenge demands management intervention so as to get the best employees.

2. Talent Management

Any organization that is lucky to get talented employees in this competitive business market has to do all its best to retain its employees. Talent is the total of a person's abilities that is their intrinsic gifts, skills, knowledge and experience, attitude, character and drive. Talent management involves recognition of the talents in employees, developing and managing them and compensating the employees throughout the organization (Armstrong, 2003).

The pillars of talent management are: recruiting, performance management, learning management, and compensation management (Shukla, 2009). These pillars have turned helpful to business organizations although Human Resource Management Systems have been unable to function effectively in these areas. This has led to evolvement of technological solutions to cater for the ineffectiveness. The four pillar industries have begun providing talent management solutions to enable organizations to better recruit, extract more from the employees' strategically important competence and make a fair compensation to them.

These solutions have done away with the stress of writing reviews on employee performance because the task is now automated. It helps organizations to establish and communicate important corporate goals, at the same time measure the improvement of employee performance, and ensure that all organization's departments are working towards a common goal. In their study, Michaels, Hellen and Beth (2001) depict how talent management describes the process in which employers in different organizations anticipate the needs of the organization in terms of human capital and plan to meet them. This involves looking for the right people with the right skills for the right job, which have been the biggest challenge facing organizations.

The reason as to why many organizations concentrate on talent management of the human resources they have is that, they have noticed that human resource is the most valuable resource an organization can have, and without which, it would be difficult to progress in their operations (Schiemann, William and Susan, 2009). The economic progress of any country relies on the progress of the various business organizations in the country and their operational progress. The people in the country rely on organizations, to meet their daily needs and increase their sense of self-worth as the organizations too depend on the effectiveness of their people for market value creation. It is a dependence cycle where one needs the other for survival.

The time spent by people in their work organizations calls for the organizations' responsibility on their employees' identity, sense of fulfillment and overall satisfaction (Schiemann, William and Susan, 2009). This recognition existed in gone days, but this individual-organization relationship has changed over the last decades due to economical, political, cultural and technological forces that require the use of talent. Most of the organizations that operated in those early days are now gone because of the existing gap in their ability to attract top performers, how they approach productivity and their ability to retain top performers.

2.1 Talent management processes

Management of talents is a vital activity an organization should undertake in order to ensure its progressive operational activities. It includes strategies aiming at ensuring the organization has the people it requires for its success in management, and meets the needs of the business at present and in the future (Armstrong, 2008). There are several processes involved with talent management, which include

- i. Developing the organization as an 'employer of choice'- people make decisions for which employer they will work. The workers under this employer have the desire to join the organization, and might stay for a longer time because they are committed to the organization and the work they do. Research by Purcell et al (2003) shows that successful firms are able to meet the needs that people have of getting a good job and working "in a great place" (Armstrong, 2008).
- ii. Using selection and recruitment procedures that ensure that qualified people, who can thrive in the organization for a longer time are recruited. It aims at obtaining the number and quality of employees for satisfaction of human resource needs of the organization at minimum cost. This calls for the organization to offer competitive remuneration package to induce people into the organization.
- iii. Designing jobs and developing roles which provide people with the opportunity to exercise their ability freely and with interest. This helps the organization to place talented people in roles that will help them in using and developing their skills.
- iv. Providing career growth and development opportunities for talented staff.
- v. Creating a working environment where the work processes and facilities enable design and development of rewarding jobs and roles.
- vi. Recognition of talent by rewarding excellence, enterprise and achievement. This can be done financially, but the best motivation is given through the work itself, and the growth and development opportunities it gives.
- vii. Succession planning which ensures that the organization has suitable people who will fill vacancies left due to promotions, retirement or death. It involves identifying those with potential for promotion and succession of managers either at present or in the future, although things change and affect the plan.
- viii. Auditing talents to identify those who have potential, and those who are likely to leave the organization. It also helps to identify the possibility of talented people leaving the organization, and look for possible ways of retaining them.

2.2 Factors relating to talent management

These are factors that depend on an individual's talent and ability to bring success to any business organization. They include Alignment, Capabilities and Engagement (ACE) as Armstrong, (2008) confirms. Alignment is the extent to which everyone in the organization moves in the direction of the other all aiming at the organizational goal (United States, 2002). Capability is the talent, information and resources of the organization, needed to increase customer value. Engagement is the energy, or motivation, of employees that help the organization to meet its goals. The three factors contribute to key business outcomes which range from employee retention, product and service quality, financial performance, international stakeholder satisfaction and customer loyalty (United States, 2002).

2.3 Factors relating to talent management and people equity

Equity in business is, to have people with the same business agenda or goal. When all people in an organization are aligned to the same goal, there is equity in how the organization operates towards its goal. There is vertical alignment in an organization where employees are connected to the business strategy and goals (Schiemann, William and Susan, 2009). This means the values of employees are connected to those of the organization.

Horizontal alignment is where the work units are aligned with each other for effective customer service.

In their publication, Schiemann, William and Susan (2009) assert that capabilities focus on the extent to which the organization increases customer value by developing talent, information and resources. Customer value is the drive towards the operation of many organizations, and it needs people with the capability of talent, resources and information. If this lacks in the employees, there will not be the ability to produce high volume of quality outputs.

Engagement calls for employee devotion to serving the organization, as they take it to be a place where they can work, purchase from or invest. It is one of the results of employee satisfaction and morale to employee commitment. It is measured through the way employees put more commitment to the organization other than the least requires of them. Studies have shown that satisfied employees are more engaged in the organization as compared to those unsatisfied, through improved performance, customer satisfaction and low turnover cost (Schiemann, William and Susan, 2009).

When business organizations apply the three factors, people will work at peak performance, often with the most personal fulfillment. According to the study by Schiemann, the three factors are important in driving business and personal success. The study also shows how the three concepts work with important talent management situations, which include acquisition, development, optimization and retention of the talents (Schiemann, William and Susan, 2009). The three concepts help identify and target where there is weakness in an organization it terms of the human resource.

3. Human Capital

It consists of the intangible resources that workers provide for their employees. As Bontis et al (1999) defined it; Human capital represents the human factor in the organization where the organization gets its distinctive character from the combined intelligence, skills and expertise. The human elements in the organization are those capable of learning, bringing a change, an innovation and providing creative force, which can ensure a pro-longed survival of the organization (Baron and Michael, 2007). Human capital is not a property of the organization, but it is secured from employees through the employment relationship.

Employees have different abilities, behaviors and personal energy and these are the elements that make up the human capital that they bring to work (Oakes and Pat, 2011). The contribution of human capital to an organization is dependent on those who possess it; the employees. However, the human capital in employees can not be exhausted unless the employer chips in, thus; both employers and employees invest in human capital. It is them who decide where to work, at what time and how to use it. If an organization has a talented human resource, it will benefit from the human capital they contribute towards the business.

Human capital theory, according to Ehrenberg and Smith (1999) gives a concept of human capital as a set of skills that are embodied in workers and are rented to organizations (Baron and Michael, 2007). The workers, in exchange, expects returns on human capital investments through, high earning levels, job satisfaction, career prospects, and a belief that security in employment is guaranteed. However, today's market competition of labor leads to the competition between workers who are more talented and those with fewer talents as the organizations seek the best suited workforce for the best post.

The employer, on the other hand, as a contributor to human capital, expects the return on investment in human capital in terms of improved performance, productivity, flexibility and the capacity to innovate, all of which come from enlarging skill base and the increasing levels of knowledge and competence. It is only the human capital with skills and talent that will meet these expectations of employers because skills, knowledge and competence are the main factors determining the progress of an organization (Baron and Michael, 2007).

4. Importance of talent management

Competition in the market contributes to changes in management of business organizations. Researches have been conducted to show the prevailing market conditions and how they affect the current market situation (Vaiman and Charles, 2008) As note earlier, talent management helps identify, develop and maintain talents in employees and help them to improve performance of the organizations. Talent management is an important aspect of business growth. The following are some among the advantages a business enjoys in having talent management in its operation.

5. Competition

Talent management is an important factor that fosters competition among business organizations in the market. Any business that values talent management is always competitive compared to others that do not. This is because they consider the employees they recruit according to their ability and talents, and fetch the best suited

for the best post. The organizations that do not practice talent management will copy from their competitors the decision of talent management, and this will increase its performance.

6. Productivity

This is the ability if an organization to produce a good output in the market according to how it operates its business activities. Researches conducted to find out organizational performance show that organizations that have talent management programs perform better than those which do not have (Michaels, Helen and Beth, 2001).

6.1 Improved Product Quality

Talent management helps in improving product quality as competition rises due to having qualified employees and managers (Goldsmith and Carter, 2009). Competition among the business organizations will gear up product quality because each business will seek to beat their competitors.

Conclusion

Talent management works hand in hand with human resource management because; it is from the organization's ability to manage its human resource that it will be able to gauge the talented human resource it has (Pham-Gia, 2009). According to Price (2011), the human resource management in an organization contributes much to its progress. Businesses that wish to prosper in the market have to embrace talent management because, according to studies, it is not how much financial strength a company has that makes it progress, but proper utilization of the talented human resource it has (Price, 2011). Companies realize that they put inadequate approaches to talent management, and are turning to serious strategies because they now understand what talent management entails.

Any company that intends to win in the current market competition and considers improving talent management has to embrace a talent mindset that, to achieve the business goals it must consider the talents within the organization (Silzer and Ben, 2010). Secondly, it should improve its customer service to win their doing business with them. They should also rebuild their recruiting strategy to ensure they get the best qualified staff. If an organization recruits leaders with a talent mindset, the leaders will embrace talent management, which will help the business towards achieving its goal (Huselid, Brian and Richard, 2005).

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