EXPLORING TALENT MANAGEMENT STRATEGIES ADOPTED BY ORGANIZATIONS

Vibha Mahajan

Research Scholar
School of Business, Faculty of Management
Shri Mata Vaishno Devi University
Katra-182 320, Jammu & Kashmir

ABSTRACT

Today's fast changing business environment has affected the ways in which the organizations conduct business. These changes are remodelling the functioning of HRM. The basic thrust and orientation of all these changed HRM practices has been to develop a scenario where the organizations can have a competitive advantage with the use of human resources. In view of that, organisations have started paying more attention to their non- imitable, and rare human resource. These practices have been adopted to gain competitive advantage through the human resources of their organisations. Out of various practices, talent management practices have been underlined as the most vital practice to improve an organization's performance. Therefore, the aim of the paper is to explore different approaches used by organisations related to talent management. Besides, study also intends to indentify the direct and indirect effects of these strategies to the organisations as well as employees. In conclusion, the study has found that organizations are adopting talent management strategies as a part of their business strategies to achieve their goals and objectives effectively which may subsequently endow organizations with better opportunities for growth and development.

Keywords: talent management, strategies, human resources, dynamic environment

INTRODUCTION

The reality of increasing competitive and unstable business environment has forced the organizations to understand the necessity of knowledge workforce. The knowledge workforce has gained importance because of the reason of expanding economies and businesses globally thus arising the need of more workforce both in quality and quantity (Schuler et al., 2011). The increasing role of technology and globalization has made evident that quality of human capital is the source of organization's success and competitive advantage (Beechler and Woodward, 2009; Iles et al., 2013). According to Becker et al., (2001) the organizations that understand the importance of their skilled workers are able to sustain in the dynamic environment as compared to those which pay more attention to their equipments rather than their star performers (Saxena, 2013). The greatest asset of an organization is its people. These people belong to diverse backgrounds and do not share the feeling of commonality. Hence, managing and retaining these assets from diverse background is the biggest task which organizations needs to perform inorder to survive in the market and to have an upper edge from their competitors (Bano et al., 2011). Managing these diverse talents is the responsibility of the organizations if they want to achieve their business objectives effectively. According to O.Alya and Zainal (2013) there is a change in the business environment compared towards the previous environment. As a result, organizations are focusing on the concept of talent management and realizing its importance (Collings and Mellahi, 2009; Schuler et al., 2011; O.Alya and Zainal, 2013; Egerova, 2013). A simple search on talent management produces a wide range of articles and books thus showing the importance of the topic amongst practitioners as well (Lewis and Heckman, 2006).

1

In views of Cappelli and Keller (2014) talent management has become the hot topic of the 21st century and every survey of executives from different areas has confirmed its significance in improving the overall performance of the organizations. Dries (2013) assert that according to current position of literature, the study of TM is in a growing state which accounts for a more profound study on the topic by a group of scholars to push the state from growing into a mature field of study. Looking at this we tried to contribute to the present status of literature of TM by focusing on approaches and strategies adopted by organizations on account of talent management so that more clear views about the topic could be developed and the effect of using these strategies could easily be recorded at one place, endowing organizations with better opportunities for growth and development.

OBJECTIVES OF THE PAPER

1. To understand the basic meaning of talent and talent management.

2. To understand different approaches and strategies used by organizations to implement talent management and realizing the importance of these strategies.

RESEARCH METHODOLOGY

Inorder to gain a deep knowledge about talent management various research papers, blogs, books, and all the plausible literature concerning talent management were explored etc.

DEFINING TALENT MANAGEMENT

Talent management got its origin from World War II (Cappelli, 2008), but the importance of the topic was realized when McKinsey consultants group claimed the "War for Talent" in late 1990's (Iqbal et al., 2013). This war for talent was provoked by the understanding that talent shortages are increasingly becoming one of the biggest human resource concerns for the organizations (Makela et al., 2010). Thunnissen et al., (2013) state that shortages of talented people is due to several trends and factors such as demographic changes like ageing workforce, mobility and globalization. In views of Ashton and Morton (2005), and Beechler and Woodward (2009) transformational changes causes a great impact on the quantity, quality and characteristics of talent needed by the organizations inorder to achieve the desired objectives. According to Schuler et al., (2011) in today's era success of any organization is dependent on how well organizations are able to understand the talent challenges they are facing. For this understanding a clear picture of what exactly talent and talent management stands for the organization is required (Egerova, 2013).

The term talent management till today has not got any standard definition even though much work has been done in this field. For example, in 2006 Lewis and Heckman have noted that there has been a short of concepts regarding talent management and its overall goals in addition to "the disturbing lack of clarity" about the term. Studies confirm that till today there is no exact definition of talent and talent management (Thunnissen et al., 2013; Dries 2013; Cappelli and Keller 2014). Similar views about the definition of talent management are presented by Collings et al.; (2009) that the topic has got no empirical evidence and thus much work has to be done in the identification and its theoretical framing. According to Iqbal (2013) the field of talent management is still immature and there is a need to have more empirical research in the area. Thunnissen et al., (2013) on the basis of literature study conducted by them confirms that majority of the literature concerning TM is theoretical and the topic lacks empirical research.

In views of Gallardo et al., (2013) inorder to make advancements in the field of talent management a conceptualized definition of talent is of utmost importance. Hence various definitions of talent could be summarised as:

Gagné (2000)	"Superior mastery of systematically developed abilities or skills".
Michaels et al. (2001)	"The sum of a person's abilities—his or her intrinsic gifts, skills, knowledge, experience, intelligence, judgment, attitude, character and drive. It also includes his or her ability to learn and grow."
Tansley et al., (2006)	"Talent can be considered as a complex amalgam of employees' skills, knowledge, cognitive ability and potential. Employees values and work preferences are also of major importance."
Stahl et al. (2007)	"A select group of employees – those that rank at the top in terms of capability and performance – rather than the entire workforce".
Tansley et al., (2007)	"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."

Source: (Gallardo- Gallardo et al., 2013)

From above definitions of talent it could be concluded that talent means different to different people (Gallardo-Gallardo et al., 2013). Thunnissen et al., (2013) remark talent as relative and subjective instead of absolute. In their views talent varies according to organizational environment, the type of work to be performed and other internal and external circumstances of an organization. Ashton and Morton (2005) clearly states that the definition of talent for an organization changes as the business drivers changes.

The most renowned criticism by Lewis and Heckman (2006) is that talent management is none less than a rebranding of old HR activities. From the view point of many researchers TM is just like "a new wine in the old bottles" (e.g. Chuai et al., 2008). In other words, it could be said that TM is a new language used for old HR practices (Ashton and Morton, 2005). But much of the literature tries to differentiate TM from HRM (Cappelli, 2008; Collings and Mellahi, 2009). For e.g. Dries (2013) has tried to identify talent from six different perspectives.

On the basis of studies conducted by researchers talent management could be seen as a process used by organizations to anticipate human capital needs and using different strategies adopted by organizations to attract, retain, and manage the best employees inorder to have a competitive edge. It could be derived from various studies that TM process involves strategies that aim at ensuring the organizations with the availability of skilled employees and competitive advantage (O. Alya and Zainal, 2013). Hence all the process should be integrated together with the strategies to yield good results and outcome that help to have an upper edge from the competitors (Egerova, 2013).

Further, Cappelli and Keller (2014) assert "talent management as the process through which organizations identify the need of talented people in their organization and try to meet those needs inorder to fill the strategic positions of the organizations". According to Bhatnagar (2007) talent management in the past was initially designed to develop the process for recruitment and developing human capital with the required skills and abilities to meet current organizational needs. In views of Thunnissen et al., (2013) TM is a transformation process involving three stages: input (talents), process and output. Thota (2013) defines talent management as "deliberate and ongoing process which helps to identify, assess, develop and retain the star performers inorder to meet the present and future needs and objectives".

According to Bhatnagar and Srivastava (2008) if a talent management process is well defined and well executed it helps the organizations to yield consistent and better results thus helping achieve competitive edge in the war for talent. O. Alya and Zainal (2013) describe TM as a vital activity which every organization should adopt. According to them various steps of a TM process are:

1. Develop an employer brand. The main focus is put upon the organizations to be an employer of choice, an organization where talented people are attracted and they themselves want to work.

 2. Adoption of good recruitment procedures inorder to hire best employees.

3. Providing career growth opportunities to employees.

4. Creating a work environment that motivates employees to give their best to the organizations.

5. Recognising talents with rewards which could be monetary and non- monetary.

6. Auditing talents or finding out the potential employees who still want to work and those who are planning to leave the organizations. The ones with intention to leave should be taken care off.

Additionally, the summarised view of TM process by Oracle White Paper (2012) is as follows:

1. Ensuring right people at the right job and at the right time.

2. Improving the abilities of supervisor to manage their talented employees.

3. Providing employees with both positive and negative feedbacks so that they know about their performances and thus could align themselves with the required output.

4. Continuously work on talent retention and constant check on talent mobility.

In another perspective, O. Alya and Zainal (2013) describe the pillars of TM and asserted that for any TM process to be carried by the organizations, certain strategies aiming at achievement of organizational objectives are used. In words of Thota (2013), talent management is the execution of various strategies used to increase workplace productivity. Mehta et al., (2014) describe employee retention and commitment as the major results of strategies used by organizations. Dhanabhakyam and Kokilambal (2014) identify different strategies adopted in different industries thus giving an overview that talent management is the need of almost every industry.

Various studies related to talent management help us to conclude different features of TM strategies as (Fig. 1):

1. TM process and its Alignment with Business Strategy

2. Different approaches of Talent Management

Fig.1: Features of TM Strategies
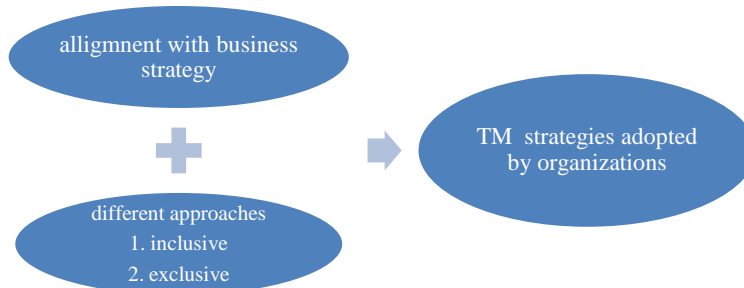
Source: Compiled by the Author

Aligning TM with Business Strategy

O. Alya and Zainal (2013) define management of talents in the organization as one of the vital activities which should be performed in a systematic process. Collings and Mellahi (2009) asserted the start of talent management process with the identification of key positions followed by the development of A- performers. The second step after talent identification is to place these talented employees at the places which the organizations feel as the pivotal ones. After this development of high performance employees is the done using basic tools like career development, training and development, skill enhancement (Jyoti and Rani, 2014).

Once the talent management process has been developed the organizations need to pay attention in aligning it with the business strategies. Thota (2013) lays the importance of ensuring that talent strategy is closely aligned with the corporate strategy at top priority. Ashton and Morton (2005) focus that as the business strategy of the organization changes talent strategy changes as well. The approach of using talent strategy is highly dependent upon the business strategy of the firm.

Best talent management plan is closely aligned with company's strategic plan and corporate goals. "Goal alignment" clarifies organizations objectives and strengthens the organization leadership. For e.g. Lowes Hotels reported an issue of talent management. They shifted their strategic focus and realized that it was critical to organization success that everyone was aligned and working on organizations goals together.

The solution they found was to align each activity such as performance management, Goal management, succession planning around the business strategy to drive talent management throughout the organization. http://www.successfactors.com/ en_us/lp/articles/strategic-talent-management-training.html

DIFFERENT APPROACHES TO TALENT MANAGEMENT

Saxena (2013) defines the importance of talent management practices used by organizations in-order to take care of their talent pool. The major concern for the organizations today is to answer what does the term talent specifically means to them (Iles, 2013; Tansley, 2011). Dries, 2013; Thunnissen et al., 2013; Gallardo-Gallardo et al., 2012; Tansley, 2011; Lewis and Heckman, 2006; consider it as the debatable concern for organizations till today as well.

Cappelli and Keller (2014) asserts that from recent attempts two debates have emerged to draw conceptual boundaries surrounding the term talent. The results of the debates have been to differentiate between two approaches to talent management i.e. intrinsic and extrinsic. On the basis of literature review following notions regarding the two approaches could be drawn (refer Table 1).

Table 1: Approaches of Talent Management

Year	Author	Intrinsic approach	Extrinsic approach
2013	Egrova	TM should be applied to every employee of the organization as every single person is perceived as talent that contributes to organizational success & is a source of competitive advantage.	Exclusive approach connects talent with only few employees who are either high performing or people with high potentials.
2013	Thota	Organization adopts intrinsic approach to TM creating a "whole workforce" approach to engagement and development.	Organizations adopt exclusive approach to segment talent according to need.
2013	Gallardo-Gallardo et al.	Inclusive approach defines talent as subject & addresses talent as entire workforce. 2. Inclusive approach defines talent as object, allowing everyone to reach their potential.	Exclusive approach to talent as subject based on differentiation of a small segment of the workforce. In this talent is considered to be the people who rank at top in terms of capabilities and performance. 2. Exclusive approach to talent as object, concentrating on employees who achieve excellent performance.
2014	Cappelli & Keller	TM is applied to every worker of the organization as every employee can potentially create value for the organization. 2. Inclusive approach is a function of recent development in response to egalitarian concepts during 1960's -70's and to work place regulations.	Organizations should disproportionately invest in scarce resources in the individuals or jobs from which they expect the greatest returns.
2013	Dries	It is a strength based approach. 2. Results of inclusive approach leads into an environment of trust, overall employee wellbeing.	It involves Workforce differentiation. 2. Results into higher return on investment in terms of profit & productivity with an increase in motivation amongst potential employees.

Source: Compiled by the Author

STORY OF TM STRATEGIES OF SOME SELECTED COMPANIES

Talent management strategies can be used to "raise the bar" of employee performance. It helps to communicate the desired behaviours, control costs, increase organizational performance both in financial and non- financial terms. A closer look at the benefits derived by organization with the use of these strategies will strengthen the need of implementing talent management along with other business strategies. In this direction, it is important to quote an initiative that has been taken by First Data Corporation (FDC), a US-based firm. It has an exclusive talent office that annually reviews analytics and recalibrates talent to align with growth and other organizational needs. According to Neal, senior VP, organizational development, FDC talent management has proved to be an improved tool in increasing organizational performance (Ashton and Morton, 2005). Similarly, LG Electronics follows the philosophy of utilizing a variety of recruiting channels to secure top quality global talent. Their talent management includes programs such as International HR Recruit Activities, Overseas Employee Adaptation Program, Develop Specialists Corresponding to the Training Roadmap, Global Talent Training Programs.

The main focus by LGE is to develop their employees into global leaders (http://www.lg.com/global/sustainability/employee/talent-management).

Likewise, Apple has adopted the innovation and product brand building approach across different industries. The approach also includes investment of sufficient resources in the process of recruitment, retention and development of employees at all levels (Stafford, 2013).

A significant step has also been taken by 3M to build a unique culture based on collaboration and freedom to innovate. They have an exclusive engagement and measurement team which believes that employee engagement leads to customer engagement which in turn more customer satisfaction and thus helps increasing sales and profits (Tucker and Williams, 2011). Another effort in the war for talent has been made by Infosys which brands itself as a premium organization for leaders. The recruitment process at Infosys focuses to accept the best of the best and with application criteria and selection rates more stringent than Harvard University. The organization develops annual recruitment goals and being a technology company it makes use of technology to fulfil these goals and puts deliberate efforts to create a brand image to attract talent globally (Tucker and Williams, 2011).

A significant step has also been taken by Unilever in the area of talent management. There are different aspects which helps Unilever to fulfil their need of talented employees. Some aspect focuses on employees such as recruitment, learning and development, retention whereas some focuses on managing across the organization. Unilever has prepares an annual individual development plan (IDP) for development of their employees. In addition to IDP's Unilever also has functional resource committees (FRC's) which are held every quarter of the year. The basic purpose of these FRC's lies to review key talent, succession planning, expected and current vacancies in the organization(http://www.nvp-plaza.nl/documents/doc/talent-mgmt-nvp.pdf).

CONCLUSION AND RECOMMENDATIONS

In response to increasing demands human resource must identify, demarcate, assess and improve their performance. The basic difference which organizations can make is by creating a talented workforce which could not be copied by the competitors easily. For this reason there is a need to adopt talent management practices with which organizations can compete in today's dynamic environment. There are number of HR professionals who are busy benchmarking with other companies to find which practices they can replicate in their organizations. Hence, there is a need to understand that one cannot blindly adopt the successful practices.

Talent management practices are firm specific and strategies applied by one organization may not prove to yield similar results. There is need to consider the excellence of practices with respect to their own requirements and adapt it with suitable modifications. It has been observed, after reviewing different strategies adopted by organizations that firms using talent management in alignment with their business strategies have a competitive edge over those who don't and also gives the organizations a competitive advantage in their industry. Moreover, organizations like Unilever and LG electronics have started taking steps in this direction by identifying and adopting certain practices which suit their organization demands. The important point to be noticed here is that if organizations are achieving better results like controlled costs, reduction in attrition rates, low turnover and absenteeism by just inculcating one or two such practices then surely they can achieve competitive advantage if they adopt more such practices.

The implications of using talent management practices justify its need and relevance. Though much focus has been put to understand the concept of talent management yet there is a need for more research in the context of organizations. The enigma regarding the meaning of term talent and talent management needs to be resolved. In our understanding there is lack of work done in the area of talent management which helps the organizations to understand that which strategy suits which type of business or the industry. As a result, at the time of implementation stakeholders will be clear about the requirement of type of strategy they should adopt.

Moreover, for successful talent management, organizations can formulate a database of talented employees in their organization which captures all the necessary details. Further, organizations must boost their employees to upgrade themselves in the category of talented by rewarding them with titles like talent of the year, first talented employee of the organization in the present year etc.

FUTURE RESEARCH

Due to dynamic conditions talent management is the requirement of the organizations today as well as in the future. Although much work has been done in this area but there may be chances of other factors affecting talent management strategies. Also from the literature it is clarified that talent management is in its growing stage and more empirical studies need to be done so that the topic moves into its mature phase and thus help organizations to endow with opportunities for growth and development.

REFERENCES

- An Oracle White Paper,(2012). Performance-Driven Compensation: The Corporate Talent Insurance Policy, Accessed http://www.oracle.com/us/ media1/ performance-driven-compensation-1720594.pdf.
  [Accessed on 15, november,2014]

- Ashton C., Morton L., (2005). Managing talent for competitive advantage. Taking a systemic approach to talent management. *Performance Improvement Solutions.* 4(5), 28-31.

- Bano, s., Khan, M., Rehman, Q., Humayoun, A.,(2011). Schematizing Talent Management, A Core Business Issue. *Far East Journal of Psychology and Business,* 2(1), 4-16.

- Becker, B.E., Huselid, M.A. and Ulrich, D. (2001) The HR Scorecard: Linking People, Strategy, and Performance, Harvard Business School Press, Boston, MA.

- Beechler ,C., Woodward, (2009). The global "war for talent", *Journal of International Management* 15, 273–285

- Cappelli, P., & Keller, J. R. (2014). Talent management: Conceptual approaches and practical challenges. *Annu. Rev. Organ. Psychol. Organ. Behav.*, *1*(1), 305-331.

- Cappelli, P., (2008). Talent management for the twenty-first century. *Harvard Business Review.* 74-81.

- Collings, D. G., & Mellahi, K. (2009). Strategic talent management: A review and research agenda. *Human Resource Management Review.*, 19(4), 304–313.

- Dries N., (2013).The psychology of talent management: A review and research agenda. *Human Resource Management Review.* 23, 272–285.

- Egerova D., (2013). Integrated talent management- A challenge or necessity for present management. *Problems of Management in the 21st Century*, 6, 4-6.

- Gagne´, F. (2000), "Understanding the complete choreography of talent development through DMGT-based analysis", in Heller, K.A., Monks, F.J., Subotnik, R.F. and Sternberg, R.J. (Eds), International Handbook of Giftedness and Talent, Elsevier Science, Oxford.

- Gallardo, E., Dries N., Tomás F., Cruz, G.,(2013). What is the meaning of 'talent' in the world of work? *Human Resource Management Review.* 23(4), 290–300.

- Iles, P. (2013). Commentary on "The meaning of 'talent'in the world of work". *Human Resource Management Review*, *23*(4), 301-304.

- Iqbal, S., Qureshi, T. M., Khan, M. A., & Hijazi, S. T. (2013). Talent management is not an old wine in a new bottle. *African Journal of Business Management*, *7*(35), 3609-3619.

- Jyoti, J., & Rani, R. (2014). Exploring talent management practices: antecedents and consequences. *International Journal of Management Concepts and Philosophy*, *8*(4), 220-248.

- Lewis, R. E., & Heckman, R. J., (2006). Talent management: A critical review. *Human Resource Management Review.* 16(2), 139–154

- Makela, K., Bjorkman, I. & Ehuman, M., (2010). How do MNCs establish their talent pools? Influences on individuals' likelihood of being labelled as talent. *Journal of World Business*.45(2)134-142

- Mehta, M., Kurbetti, A., Dhankhar, R., (2014). Review Paper – Study on Employee Retention and Commitment. *International Journal of Advance Research in Computer Science and Management Studies.* 2(2), 154-164

- O. Alya M. A., Zainal S., (2013). Talent management. European journal of business and management. 5(13), 68-72

- Saxena, P. (2013). Talent management: a strategic perspective. *Anveshanam–A National Journal of Management*, *1*(1), 49-55.

- Schuler, R. S., Jackson, S. E., & Tarique, I., (2011). Global talent management and global talent challenges: Strategic opportunities for IHRM. *Journal of World Business*, *46*(4), 506-516.

- Tansley, C. (2011). What do we mean by the term "talent" in talent management?. *Industrial and commercial training.*

- Tansley, C., Harris, L., Stewart, J. and Turner, P. (2007), Talent Management: Strategies, Policies and Practices, Chartered Institute of Personnel and Development, London.

- Thota V., (2013). Effective Talent Management Practices: A Strategy for Organizational Success. *Global research analysis.* 2(11), 157-159

- Thunnissen, M., Boselie, P., & Fruytier, B. (2013). Talent management and the relevance of context: Towards a pluralistic approach. *Human Resource Management Review*, *23*(4), 326-336.

- Tucker, E., & Williams, R. (2011). The intersection of talent management and engagement. *The international resource for benchmarks and best practices, Houston, TX, APQC International.*