

Talent Management A Key Aspect of Human Resource Management

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Abstract

In today 's challenging business environment of going global and competition becoming intense, organizations have mounting pressure to perform better than before. Over the years, creation and preservation of knowledge has become a key tool in accelerating competitiveness and enhancing organizational capabilities to respond to market changes , wherein employees' skills and personalities are appropriately deployed to optimize performance, is a critical and difficult task. Furthermore, identifying and developing executives who have leadership potential, like every other vital strategic function, is a demanding process that is equal parts of Arts and Science to carry out this mission, organizations should develop and deploy talented people who can articulate the passion and vision of their organizations. Though operating excellence, technical competence, marketing savvy, energy and drive are always important, talent-intensive organizations also require soft skills that facilitate execution across departments. An organization can rest in peace under the assumption that once they have recruited the employee in place, their job is done. The real challenge that is faced by these industries is not hiring the right person for the right job, neither their Performance Management System, nor their Work Climate nor Culture, but in retaining the employee. It is proven beyond argument that it is the people who make or break the organization. Managing the talent of key employees is critical to achieve the success in long-term by any organization. Talent management involves individual and organizational development in response to a changing and complex operating environment. It includes the creation and maintenance of a supportive, people oriented organization culture.

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Introduction

Human Resource Management (HRM) is a relatively new approach to managing people in any organisation. People are considered the key resource in this approach. It is concerned with the people dimension in management of an organisation. Since an organisation is a body of people, their acquisition, development of skills, motivation for higher levels of attainments, as well as ensuring maintenance of their level of commitment are all significant activities. These activities fall in the domain of HRM. Human Resource Management is a process, which consists of four main activities, namely, acquisition, development, motivation, as well as maintenance of human resources. Scott, Clothier and Spriegel have defined Human Resource Management as “That branch of management which is responsible on a staff basis for concentrating on those aspects of operations which are primarily concerned with the relationship of management to employees and employees to employees and with the development of the individual and the group”.

Human Resource Management is responsible for maintaining good human relations in the organisation. It is also concerned with development of individuals and achieving integration of goals of the organisation and those of the individuals. Northolt considers human resource management as an extension of general management, that of prompting and stimulating every employee to make his fullest contribution to the purpose of a business. “French Wendell, defines Human resource management as the recruitment, selection, development, utilisation, compensation and motivation of human resources by the organisation”. According to Edwin B. Flippo, “Human resource management is the planning, organising, directing and controlling of the procurement, development, resources to the end that individual and societal objectives are accomplished.”

Talent Management

Talent management is an integral part of human resource management. Talent management can be defined as a deliberate approach implemented to recruit or hire, develop and retain people with required aptitude or skills to meet the present and future goals or needs of the organization. It is the creation and maintenance of a supportive and pro-people organizational culture. Talent management is, therefore, the commitment of an organization to recruit, develop, retain the most talented and qualitative employees available in the job market.” Talent management has become almost an inevitable management process in modern days. Due to tough competition in every sphere of business world today, organizations are vying for the best people from the job market. However, attracting the best talent from the job market is not

everyone's cup of tea. It requires a lot of competence, expertise and experience on the part of the organization to recruit the best in the industry. Major part of the Human Resource Department is devoted to talent management, which is mostly dedicated to the purpose of recognizing, sourcing and poaching best talent.

Talent Management starts with identification of the appropriate skilled people required for the organization and then there is proper selection of people with requisite potentials and skills in desired job. After identification and selection of the right kind of people, Talent Management implements competitive compensation that may include attractive pay-package, periodical increment, health insurance, paid leaves, etc. for the employees. The selected workforce is provided with training and regular refreshment programs so as to match the emerging requirements of the organization.

The Role of Talent Management In The HRManagement Strategy

At present, gaining and maintaining a competitive edge not only depends on the quality of human resources, but also on having an appropriate human resources management strategy. The major objective of the strategy is to set directions and ways that the organisation can utilise human resources, so that the attainment of corporate goals is feasible (Listwan, 2010). The supply of highly qualified, committed and incentivized personnel is at stake. Personnel of this calibre will generate a sustainable competitive edge. It is crucial to remember that "the human resources strategy may represent a contribution to the corporate strategy, and that at the same time the corporate strategy justifies the HR strategy" (Armstrong, 2010). In practice, this implies vertical integration of the overall strategy and the human resources management strategy.

The human resources management strategy (also called the personnel strategy) should not be in the form of general HR policy guidelines. It should set long-term objectives in this area (Król, Ludwicyński, 2006). It is crucial to develop personnel substrategies concerned with (Armstrong, 2010): human capital management, high performance management, corporate social responsibility (CSR), HR and organisational development, commitment, knowledge management, specialist acquisition, remuneration, employee relations, and talent management. 807 Given the dynamic changes in the environment and the increased demand for high class specialists, the talent management strategy is of vital importance. It can be defined as a set of objectives (including its implementation plans) targeted at acquiring from outside, or identifying inside, the organisation, retaining and utilising talents in the organisation, so that they can enable development and help maintain a competitive edge (Pocztowski, 2008). Talent management strategy components include (Armstrong, 2007):

1. Precisely defining talents, determining who should be included in the talent management programme, and identifying the requirements of talented workers;
2. Creating an image of the organisation as a “preferred employer”;
3. Employing recruitment and selection methods that ensure that outstanding workers have good prospects, designing job positions and improving organisational roles so as to support development, and creating opportunities to satisfy the need for self-development;
4. Developing good promotional prospects, creating a work environment conducive to maintaining a work-life balance, and ensuring an attractive system of remuneration;
5. Developing succession procedures for key positions that take into account talent identification and workers who can leave the organisation.

Developing and implementing this sort of strategy requires the commitment of senior management, as well as the HR department and all the members of the organisation. It is also vital to secure a back-up infrastructure to enable strategy implementation. Decisions about talent management programme implementation, being a result of an adopted strategy, frequently consume significant resources, and their effects are only visible in the longer term. Talent management should therefore be seen as an integral part of the overall corporate strategy. Consistent activities at the level of overall corporate strategy and talent management strategy and their mutual fit is a key success factor for them.

Talent Management Process

The various stages of Talent Management are as follows.

- **Identifying the goals** d This is the cardinal stage and pivotal to the success of the entire talent management process. The first step is to identify what the organization aims to achieve and what characteristic qualifications and skills the recruits should possess to realize the goals.
- **Attracting the talent** d The main aim of talent management process is to hire the best talent for an organization. Organizations at this stage make effort to attract the best talented people from the job market.
- **Sourcing the talent** d In this stage, the talent management personnel looks for appropriate sources in the job market or industries where the targeted people can be hired or recruited.
- **Recruitment** d This is the first stage of hiring the best talented people for the organization. Skilled and qualified people are invited to join the

organization.



- **Selection** ” This is the stage where the objective of talent management becomes a reality. It is when truly talented people are recruited or hired in various roles.
- **Training and development** ” At this stage, the selected recruits are provided with necessary training to make them productive and efficient to work towards the goals of the organization.
- **Retention** ” The notable objective of talent management is not only hiring talent but also ensuring their retention in the organization. Factors upon which the retention rate depends are attractive pay package, job specification, safety and security of the employees, personal development of an employee, recognition and culture of the organization, and the fit between the job and talent.
- **Assessment** ” Periodical assessment of employees’ skills, abilities, improvements and competencies enable the organization to know if they are fit for continuation and promotion.

- **Performance appraisal** ” It is a measurement of the actual performance of the employees in the job. It enables the organization to ascertain if the person can be loaded with extra responsibilities.
- **Promotion** ” It refers to job enrichment. It keeps the energy level high of the employees and they are inspired to continue to work for the organization.
- **Career planning** ” If an employee is found befitting to handle work pressure and extra responsibilities well, the management needs to plan his/her career so that he or she feels elevated and rewarded. Such recognition and rewards inspire the employees to remain with the organization for a long time.
- **Succession planning** ” This deal with the replacement of people within the organization. Employees who have given their best to the organization and have been serving for long deserve to hold higher positions.
- **Exit stage** ” This is the final stage of talent management process that ends in the retirement of the employees and they are no more a part of the organization.

Talent Management process is very complex and is therefore, very difficult to handle. The sole purpose of the whole process is to place the right person at the right place at the right time. The main issue of concern is to establish a right fit between the job and the individual.

Why Companies Need Talent Management As HR Function

An estimated ten million manufacturing jobs worldwide cannot be filled due to shortage of talent, says a recent study conducted by the World Economic Forum and Deloitte Touche Tohmatsu. The study notes that the future of manufacturing is turning into a competition for talent.

It says the shortage is pervasive despite the high unemployment rate in many economies where companies are struggling to fill manufacturing jobs, such as highly trained work.

A global survey results reveals that the talent shortage is endemic across the world - but most acute in Japan (85 per cent of employers), Brazil (68 per cent), India (61 per cent), Turkey (58 per cent) and Hong Kong (58 per cent).

Meanwhile, employers in Ireland (three per cent), Spain (three per cent), South Africa (six per cent), the Netherlands (nine per cent) and Czech Republic (nine per cent) are the least likely to face shortages. So talent Management is required as an HR Function in the companies

Attract top talent Having a strategic talent management gives organizations the opportunity to attract the most talented and skilled employees available. It creates an

employer brand that could attract potential talents, and in turn, contributes to the improvement of the organizations' business performance and results.

Employee motivation. Having a strategic talent management helps organizations keep their employees motivated which creates more reasons for them to stay in the company and do their tasks. In fact, 91 percent of employees shared that they wanted more than just money to feel engaged and motivated, as revealed by Chandler and Macleod's survey.

Continuous coverage of critical roles. Talent management equips companies with the tasks that require critical skills to plan and address the important and highly specialized roles in the workforce to its employees. This means that the company will have a continuous flow of employees to fill critical roles to help companies run their operations smoothly and avoid extra workload for others, which could lead to exhaustion.

Increase employee performance. The use of talent management will make it easier for the companies to identify which employees will be best suited for the job that can lead to less performance management issues and grievances. It will also guarantee that the top talent within the company stays longer.

Engaged employees Talent management allows companies to make systematic and consistent decisions about the development of staff, which guarantees the employees' skills and development. Furthermore, employees will feel more engaged when there is a fair procedure for the development, which helps in increasing the retention rates that helps companies in meeting their operational requirements.

Retain top talent. Well-structured on-boarding practices create higher levels of retention which saves the company on its recruitment and performance management cost in the long run.

Improve business performance. Talent management helps employees feel engaged, skilled, and motivated, allowing them to work in the direction of the company's business goals, which in turn, increases client satisfaction and business performance.

Higher client satisfaction. A systematic approach to talent management means that there is an organizational integration and a consistent approach to management. When systems are more integrated, client satisfaction rates are usually higher, since they are dealing with fewer people and their needs are met more rapidly.

Benefits of Talent Management To The Organisations

The following points explain how talent management can be beneficial for organizations “

- Enhances individual and group productivity and capacity to compete effectively in a complex and dynamic environment to achieve sustainable growth.
- Assists in hiring quality workforce.
- Establishes better match between jobs and skills.
- Helps retain top talent thereby reducing the cost of hiring new recruits.
- Helps in understanding the employees better.
- Keeps employees engaged constructively.
- Effective use of available man-hours.
- Helps develop leaders for tomorrow within the organization.
- Helps in evaluating employee's readiness to take up new roles

A short report on Talent Management in Indian Pharmaceutical Industry

Indian pharmaceutical industry is an evergreen and widely changing sector. With the addition of 663 formulations under the Drug Price Control Order, this sector is expected to grow by 11 percent. According to the recent study done exports to U.S. and Europe in generic drugs are likely to increase.

Patent expiry of certain drugs also contributes to the growth of Indian pharmaceutical industry, thereby expanding the generic market. Several branded drugs worth US\$400 billion and in Europe US\$25 billion would go off patent hence providing adequate opportunities for Indian drug market in generic sector to capture the market share.

Enactment of patent protection act in early 2005 has brought India to the edge of outsourcing venues for the multinational companies (MNCs). But before entering into that area Indian pharmaceutical companies must think strategically about their human resources and also the financial condition of the company. There are various talent management issues which are need to be undertaken before seeking growth in the new environment.

Before the introduction of new patent rules in 2005 India's intellectual property laws offered patent protection only to process patent not to product patent and as a result Indian pharmaceutical companies could not reproduce a branded product without paying royalties to the manufacturer, they could only manufacture the similar drug by altering the process. With this the Indian companies gained a lot of market share by selling these low cost generic versions of branded drugs and hence they expanded globally by selling their generic products abroad. But as the business landscape has changed more of MNCs can enter the Indian markets without any fear of patent

infringement. As because of rising costs of developing and testing drugs in US and European countries they will be more attracted towards India for both manufacturing and research and development.

The Indian pharmaceutical industry's highly skilled and educated workforce as well as established infrastructure is the causes of attraction for global pharmaceutical companies.

Big pharmaceutical companies are revising their approach to generics as they cannot rely completely on off patent drugs for increasing their margins. Some of the India's major players such as Dr. Reddy's laboratories, Zydus Cadila and Ranbaxy laboratories have been expanding their R&D activities.

Due to such a change in business landscape Indian pharmaceutical industries have developed five talent management strategies such as:-

Employee retention

For a long term success of a company retaining one's best employees is very crucial and this can be achieved by adopting best of HR practices. Make clear to their employees about the organizations future goals and make them acquire certain skills of competency. Zydus Cadila has a very high employee retention rate as they perform management attributes of rewarding and retraining employees.

Focus on 'FIT'

While conducting selection interviews always consider will the personal behavior of candidates would be able to align with the corporate culture as every organization has a unique personality some candidates are entrepreneurs and some have culture driven behavior. For ex vice president, human resources of Ranbaxy said that the firm's entrepreneurial spirit attracted him to join the firm.

Ease Transitions

Companies must try to make easier for employees while entering a new environment which is very difficult especially if relocation is involved in it. Mentoring programs is a good option for all new hires so that they will acclimatize quickly. This will not only make them more comfortable but also make them productive also sooner.

Make the Position Attractive: High level professionals are always looking for a robust career path in any company. Let them know what opportunities would be provided to them. For example Nicolas Piramal always provides their employees with cutting edge projects such as development of new molecules.

Management of folklore factor: Managing the traditional beliefs, myths, tales and practices of people. Just as protection of brand reputation is necessary, managing employer's image requires a lot of attention.

Hence there is a new stage set for Indian pharmaceutical industry to reach a new level in the global market place. The ability to maximize opportunities depends on strategic business planning, hiring as well as managing them properly. Identifying the talent through various talent hunt programs and assessing their needs through this Indian pharmaceutical industry will be rewarded with growth and success in its journey.

Conclusion

Modern enterprises face a deficit of talented workers and find it difficult to retain human resources of a quality sufficient to ensure a competitive edge. Attracting, retaining and developing talented workers has become crucial. Such measures may not, however, be taken in a haphazard and ill-considered manner. The talent management strategy is at the centre of attention in many modern companies. The effective implementation of a talent management strategy requires continuity and regularity. This is because decisions in this area involve significant resources and their effects are only noticeable in the longer term.

Two extremely vital issues have to be born in mind when discussing a talent management strategy. First, the effectiveness of the strategy largely depends on the support the members of the organisation – both at the management and executive levels – give to the changes. Senior management, as change leader, plays a key role here. Second, it is of paramount importance that the talent management strategy is consistent with the overall corporate strategy and with the HR management strategy. The HR management strategy (as a functional strategy) and talent management strategy (as detailed strategy) should ultimately contribute to the success of the overall corporate strategy.

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