Talent Management

Course: Strategic Human Resources Management

Submitted to: Professor Goellener

Submitted by:

Salvika Bali - 490970

Saouakine Kharmouche - 495692

Table of Contents

Introduction

It is no secret that for a company to grow, it must focus on hiring the best employees, after all, they are what make a company's success.

Nowadays, all successful companies are racing to employ the best people in their fields, banking on them to make the best results. However, this talent retention represents one of the biggest human resources challenges, finding and hiring the right employee for the right position is of great importance for a successful and competitive work environment.

But before proceeding with the list of the best process and practices to retain talents in a company, we must first start with brief definitions of our key terms: "talent" and "talent management".

1) Definition of Talent

Etymologically, the term talent can refer to

- "*the ability to be specifically good at something, without having the need to learn it*" Cambridge dictionary.
- "*A special natural ability or aptitude, usually for something expressed or implied; a natural capacity for success in some department of mental or physical activity; an accomplishment*". Oxford English Dictionary.

According to many researches, in almost all languages, talent is usually regarded as an innate ability, a gift that a person is born with, which enables them to outperform others, in German for instance, according to (Brockhaus, 2003), a talent is defined as "*eingeborene Anlage zu guten Leistungen auf einem bestimmten Gebiet*", an innate attitude or gift enabling a person to perform well in a specific field.

Although many cultures see it as an innate characteristic, some eastern cultures like the Japanese culture, often define it as a set of skills sharpened and developed throughout the years to make a person accomplished in a certain field.

In general, we can say that etymologically, the word talent refers to the ability to be remarkably good at a certain task or set of tasks, either through an innate "gift", or honed skills.

In HRM, there is no single clear definition for talent (Tansley, 2011). However, some managers could argue that 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. According to McKinsey Global Institute, talent is the sum of a person's abilities, his or her intrinsic gifts, skills, knowledge, experience, intelligence, experience, judgement, attitude, character, drive, his or her ability to learn and grow.

2) Definition and Components of Talent Management

On the other hand, talent management is about identifying, attracting, integrating, developing, motivating and retaining key people across the whole business, not just the "elite few" decision makers, as is so commonly the case. The purpose of talent management is to ensure that the right supply of talented workforce is ready to realize the strategic goals of the organization both today and in future. Organization's efforts to attract, select, develop and retain key talented employees in key strategic positions. Talent management includes a series of integrated systems of recruiting, performance management, maximizing employee potential, managing their strengths and developing strengths. It also includes retaining employee potential with desired skills and aptitude. Talent management is concerned with enhancing attraction, long-term development, and retention of key human resources.

Organizations in today's time need talent management to compete effectively in a complex and dynamic environment to achieve sustainable growth. To develop leaders for tomorrow from within an organization and in order to maximize employee performance as a unique source of competitive advantage. It is also important in order to empower employees by cutting down on high- turnover rates, reducing the cost of constantly hiring new people and training them. DDI defines talent management as the system in which people are recruited, developed, promoted and retained to optimize the organization's ability to realize positive business outcomes in the face of shifting competitive landscapes and labor requirements.

"Talent management as your overall business strategy to recruit and retain talented employees includes recruitment, planning, meeting job description, writing and recruiting, location placement for the posting, application materials review, phone or online screening interview, in-house interviews that can involve multiple meetings with many of current employees, credential review and background checking, making the job offer to the selected person, agreeing on the amount of the offer, employee starting day and onboarding process, new employee welcome information and introductions, on-the-job training, goal setting and feedback, coaching and relationship building by the manager, formal feedback systems such as performance management or an appraisal process, ongoing employee development, career planning and pathing, promotions, lateral moves, transfers." (HEATHFIELD, 2019)

3) Evolution of Talent Management

In this new digital and data-centric era, the way the HR and talent functions drive value to the business is rapidly changing. With businesses requiring more differentiated experiences, talent management must be re-imagined to deliver better business outcomes and value, thus ensuring all functions max out their productivity and collectively work together to help attract, grow, and retain the industry's best talent. The way talent has been managed over the past 40 years has been radically different. In the 1980's, HR followed a "Personnel" management model providing administrative services and giving rise to global shared services, such as record-keeping of personnel files, global payroll services and performance management. In the early 2000's, we saw the rise of human capital management, evolving the function to a competency-style model focused on "Talent" management. In this model, the talent function rated employee performance, examined talent with the 9-block framework, leveraged new technology to recruit online and onboard, embraced classroom e-learning and fostered succession planning and rotational development programs. In the past decade, the talent function evolved again, to the current model of "Integrated Talent Management", which leverages data, skills, and employee profiles to manage talent in a more integrated way. The rise of cloud, social media, and larger amounts of data from HRIS systems and talent platforms have enabled HR to better understand the needs of talent and provide reactive solutions to retain employees. However, it's still not truly integrated and remains mostly reactive. Most talent functions, such as learning and performance, have different systems and methods to manage data from applicant tracking systems. This lack of an integrated solution means both functions operate in silos without any connection. Re-imagining talent management means integrating all HR and Talent functions to predict performance success, foster continuous personalized learning to develop employees, and produce better outcomes to customers. With a "Cognitive" talent management model, companies can drive more predictability, performance, and productivity to deliver more impact and value to a company's bottom line. With so many disruptive digital technologies, the next ten years will see 10X the amount of change we experienced 30 years ago. Customers are getting smarter and their business models are changing. This impacts the way we work and build products for the 21st century. These disruptions have major implications on talent, causing a shortage of skills, significant learning gaps, leadership scarcity and shifting workplace demographics. At a holistic level, the entire talent ecosystem must be re-imagined allowing for greater connectivity and integration among siloed functions. Talent acquisition, learning, leadership development, workforce planning, performance management, and onboarding cannot operate independently from each other. They must be in constant communication to allow cognitive technology to learn how to create efficiencies and predictability. Connecting these functions requires a common data thread that all systems can read, understand, and translate. To get this data thread, an organization must have certain foundations in place, such as an inference of skills, sentiment analysis and cognitive systems. Once the data thread is identified, artificial intelligence can be added to cognitively connect all functions and allow the systems to exponentially learn through the constant flow of data. This new talent management model provides enhanced value to an organization by proactively driving data and solutions for

the business and adopting a professional "talent services" mindset — all while cognitive technology and A.I. drive value to your end users and customers.

4) Importance of talent management/ Benefits of talent management

In every organization, the HRM's main concern is to hire the right employee with the right set of skills and talents for the right position, and this is only done through talent management.

Since human capital is regarded as one of the company's most important assets, considering the fact that in many situations it could highly contribute to its success or failure, talent management should be giving a top priority in every organization.

According to a survey conducted by the economist intelligence unit, investigating the importance of talent management for CEOs and the companies In general, 66% of all CEOs said TM was among their top priorities, and as talent management keeps evolving, we will only see these numbers go even higher.

In fact, there are many reasons as to why these CEOs and other HR managers have been focusing more on this department and urging their companies to invest further in talent management development, to mention few:

- Attracting top talent and developing a highly qualified workforce
- Retaining employees with significant talent and potential through developing their competencies and offering short- and long-term advantages.
- Ensuring the increase of the company's productivity, and thus its success, through hiring and developing the right people.
- Attaining the company's goal more effectively and with minimum time waste, as hiring the wrong employees has proved to slow down organizations and drain them financially, since putting the wrong employees in the wrong positions would require the company to invest more time and money into trainings, and not ending up with the best results
- Better knowing the employees, as the HR managers are more involved in the selection and hiring process, they get a better knowledge of their employees' background, and their true capabilities.

As we can see, talent management plays a very important role in ensuring the company's success and attaining its goals efficiently. Without the right workforce, companies cannot achieve the next level of success.

5) Process of talent management:

Talent management is not an exact science, and the process to find and retain the best employee-organization match could differ from one manager to another.

Finding the best process depends on each organization, their line of practice, and their resources. However, following the processes used by many managers, we were able to draw a standardized set of steps that is often used to set a clear process of talent selection and retention:

Planning

1

* Identifying the human capital qualifications and requierments

* Formulating key jobs creteria

Attracting talent

2

Sourcing and attracting a high flow of qualified applicants
This is done either by direcitly contacting qualified applicants in
other jobs, of posting job advertisments on job boards... etc.

Selecting talent

3

* Finding the best fit for the position through job interviews,
tests, discussions, backfround checks.. etc

Training

4

Developing and training employees for the required expertise
for the position.

Retaining

5

Offering a set of advantages to motivate the employee , this
includes but not limited to: compensations, opportunities for
growth, encouraging involvment in decision making

Transitionning

6

Offering opportunities for collective transformation and evolution
within the company, through retirment plans, exit interviews... etc

6) Key elements of talent management:

Every science is identified by its major key components, and though talent management is not an exact science, we cannot deny that it has its own specific scope of key elements that define it. When combined together and implemented correctly, these components make up for a cohesive and strong foundation of talent management, thus enabling HR managers to build and developed a balanced and strong human capital contributing the company's competitive advantage and success

Of course, each HR manager has different understandings of talent management and therefore each manager will define a different set of components. However, they all define the following as being the most critical key factors of talent management:

- **Strategic workforce planning:** defining the company's goals and objectives. HR managers are responsible for putting together a list of gaps and list down all the job requirements and prerequisites that the company needs present in its workforce.
- **Total talent acquisition**: planning the process to search for, hire and retain top talent employees to fill-in the company's gaps. Putting in place an agenda as to when the talents are needed and how to hire them.
- **Employee development:** developing and training the new hired talents' capabilities to fit the jobs they were brough for. Making a plan to sharpen the new employees' skills to ensure their success, and therefore, the company's success.
- **Performance Management:** tracking and measuring the success of the workforce. Establishing a set of goals to measure employees' performance and see if they are achieving these goals. This step enables the company to detect any inconsistencies in the talent acquisition and put in place improvement plans if needed, to ensure that both the employees and organizational goals are met.
- **Successful Planning:** putting together a plan for key people in the organization and defining their roles, to stay on top of their performance, and monitor their development in their assigned positions.
  Prepare for the next hiring process

7) Recent trends in talent management

Talent management has been evolving very rapidly in the past decade, it has known many shifts in its process and HR managers have been adapting to the new changes. Talent management have adopted many trends, amongst the most recent ones we mention:

- **Shifting its focus from talent to people management:** in the late 90s, HR managers have focused entirely on the automated processes of talent management, with little regard to the person's actual personality or culture. They used to hire based on a predetermined set of requirements. But throughout the years, HR managers have been changing their focus to a more people-oriented management, putting the person rather than the resumes in the center of their interest. And the most recent trend has been focusing on team development rather than single people development. HRMs judge that managing teams help improve further the individual's capabilities, and enhance the company's productivity even further, all this in a minimum amount of time and resources.
- **The war for talent:** hiring top talent has been getting more challenging in recent years, the high rate of turnovers coupled with the unavailability of skills have been driving managers to follow unorthodox or casual ways to attract talents (through less formal recruitment processes). Other factors have led companies to engage more fierce recruitment ways such as: economic environment, demographic change, technology changes… etc. these elements are making it harder for companies to find and hire top talents effectively.
- **Internal hiring:** faced with the fierce competition for top talents, companies have been unable to plan and hire talents effectively, as a result, they are shifting their focus to the internal hiring. As HRM have more insight and more knowledge on their employees, selecting from within the company has proven to be more effective and yield better results in the short run. However, on the long run, constant internal hiring comes with a down-turn as the talent pool gets less diversified and talents in the company decrease.
- **Artificial intelligence in talent hiring:** Just like any other department in the company, HR has also been influenced by the new technological changes. AI tools have proved to deliver the best results when it comes to analyzing and selecting resumes that are more compatible with the jobs requirements. AI functions have been extended to more than screening candidates, as they have become more inclusive, and are offering other options like interview planning and automatic responses (among others).

Conclusion

Every HR manager is well aware that talent management has become the core of HRM in modern day organizations, and a company cannot succeed to achieve its strategic goals without focusing on developing its human capital. Through the strategic implementation of the talent management process, managers are able to match the right set of skills with the right position, thus enabling the company to attain its strategic goals. Therefore, on a more generalist point of

view, talent management can even be considered as a long-term investment for the company, as it can take its success to the next level.

References

Tansley, C. (2011). What do we mean by the term "talent" in talent management? . *43*(5).

HEATHFIELD, S. M. (2019, 09 05). *Coaching Tips for HR Professionals*. From https://www.thebalancecareers.com/tips-for-effective-coaching-1917836

Brockhaus, F. (2003). *Der grosse Brockhaus, Brockhaus, Leipzig.*

Cheese, P. (2008). Driving high performance in the talent-powered organization. *Strategic HR Review*.

Mihelic, K., & Plankar, K. (2010). THE GROWING IMPORTANCE OF TALENT MANAGEMENT. *An Enterprise Odyssey. International Conference Proceedings.* Zagreb: University of Zagreb, Faculty of Economics and Business. From https://search.proquest.com/docview/734618080?pq-origsite=gscholar

(n.d.). From Humanresources Online:

  https://www.humanresourcesonline.net/the-importance-of-talent-management-and-why-c ompanies-should-invest-in-it

(n.d.). From HR Technologist:

  https://www.hrtechnologist.com/articles/performance-management-hcm/what-is-talent-m anagement/

(n.d.). From Business World:

  http://bwpeople.businessworld.in/article/Changing-trends-in-Talent-Management/05-01-2 018-136491/

(n.d.). From Select Hub:

  https://www.selecthub.com/talent-management/talent-management-trends/

(n.d.). From Better Team: https://www.betterteam.com/talent-management

(n.d.). From Consulting Broker:

  https://www.consultingbroker.com/Blog-2018-2-23-Shift-From-Talent-Management-To-T eam-Work-Management

(n.d.). From Raconteur:

  https://www.raconteur.net/hr/uk-businesses-need-to-focus-on-talent-management