

Effective Talent Management: A Vital Strategy to Organizational Success

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Abstract

Nowadays, talent management has become an essential priority for modern organizations, and organizational success is directly related to talent that is used. Talent management refers to the process by which the organization identifies employees who are capable to play leadership role in future. For talent management initiatives to be effective, organizations need formal processes, with many people involved and with strong links between leadership and talent to translate into specific organizational value-based behaviors. Organizations focus on talent management causes them to successfully attract, retain and develop their essential talents. The study is recommended the managers succinctly improve talent management in workforce by different ways for promote organizational success, because they have the mission to contribute to the achievement of organizational goals. While Talent Management has been acknowledged to be a critical success factor for organizations, there are not many scientific studies on the subject. In spite of a greater need for scientific researchers, organizations must allocate sufficient resources and specific attention to talent management for their survival.

Keywords: talent, talent management, organizational success.

Introduction

Role of organizations are inevitable to improve any country and success of any country depends on its organizational success (Moaeri, 2002). According to Wall, a successful organization is one which could adapt itself to environmental changes during a long-term, create a purposeful management structure, and develop key competencies (Eisakhani, 2008). With respect to the fundamental assumptions about the nature of the firm, a variety of criteria ranging from the survival of the firm (evolutionary and population ecology perspectives) to profitability (neoclassical theory) may be associated with success. Also, survival, growth, profitability (Chamanski & Waago, 1999), and speed, flexibility, integration, and innovation used criteria for success in organizations (Nategh, 2005). Although the various studies try to identify the key

factors of organizational success (Magd, et al. 2007), many studies conform to adaptation between talents and individual skills and capabilities as a successful factor.

In the modern, globally-competitive environment, the need for substantial changes is always felt by organizations. However, human resources departments should not only solve specific problems, but also must ensure the success of the organizations in facing potential challenges of the future. One of these challenges is the demand for qualified and talented staff (Porkiani, et al. 2010). It is nearly unanimous that HR can and should add more value to corporations. The best way to do this is by being a business partner—by directly improving the performance of the business. This can be accomplished by effective talent management, helping with change management, influencing strategy and a host of other value-added activities that impact effectiveness (Lawler, 2005).

There is general consensus that talent now plays a far greater role in determining organizational success. Unfortunately, organizations too often fail to engage in the activities that bolster their talent pipelines, equip individuals with business critical knowledge and skills, and properly deploy those individuals in positions that serve to develop and engage them. Frequently business objectives are not linked to individual competencies. Many HR functions remain organized for traditional activities and workflows instead of centering strategies and structure on talent management.

Based on experience gained, talent is defined, and through the ability to learn skills that will prove the person comes on complex tasks (Brusman, 2001), and by examining the structure of talent, its strategies can be summarized in the following:

1. Defining the framework of capabilities associated with the organization development for top/middle managers;
2. Deep talent evaluation based on framework of capabilities for existing staff and new recruits; and
3. Identifying vital positions according to organization strategies (Sharma & Bhatnagar, 2009).

The term “talent management” became prominent around ten years ago, when the management consulting firm McKinsey reported that employers face a “war for talents” and find it hard to recruit talented employees due to tight labor markets. Since then, the topic of talent management has increased in importance and has gained attention in both the literature and in business practices. It has been claimed to be “more critical than ever to organizational strategic success” and a “fast gaining top priority for organizations across countries” (Hartmann, et al. 2010).

But Aston and Morton (2005) noted that there “...isn't a single consistent or concise definition” of talent management (Collings & Mellahi, 2009). It is difficult to identify the precise meaning of “talent management” because of the confusion regarding definitions and terms and the many assumptions made by authors who write about talent management. The terms “talent management”, “talent strategy”, “succession management”, and “human resource planning” are often used interchangeably (Beheshtifar & Ziadini, 2012). Talent management is the

process of attracting, transferring, developing, and strategies that are related to those activities in an organization (Rothwell, 2005), and it is a process and opportunity to help management provide for individuals in the organization as individuals with talent (Blass, 2007).

Today, talent management as a broader concept is known in order to attract, retain, and develop talents (D'Annunzio- Green, 2008), and it is important for two reasons: first, talent management will ensure that organization can successfully attract and maintain necessary talent. The second reason is talent management should be done in a field that employees are working within (Hughes & Rog, 2008). Furthermore, talent management development to some extent specifies development paths for potential employees (Wilcox, 2005).

Studies show that the talent management system is divided into three main areas: talent recruitment, talent maintenance, and talent development. These areas are described below:

a) Talent recruitment: This stage includes all issues related to individual with high-level skills: what people does the organization need to invest in? How should the organization plan for recruitment at determined positions? What kind of talent is needed for organizational development? These questions are only a part of the questions in an organization, while drawing a path of attraction and development of its employees, as most valuable investment should be considered.

b) Talent maintenance: When an organization was successful in recruitment on desired post, they should know what the next step is. At this step, the appropriate skill sets of individual required to locate with job duties. On the other hand, manpower performance should manage to ensure the organization is a path that has the most productivity by HR.

c) Talent development: The final step in this process including issues related to learning and development. In this phase, employees need a transparent and palpable career path. The organization need to more investment on employees, in order to meet future expectations and needs (Tajadin & Muali Taffiti, 2009).

However, talent management refers to ensuring that these people are identified or recruited, developed, and retained, in such a way that their outstanding contribution can be fully achieved. It has been defined as: '...the systematic attraction, identification, development, engagement/retention and deployment of those individuals with high potential who are of particular value to an organization' (CIPD, 2008).

Effect Of Talent Management On Organizational Success

One of the most important goals of any organization is to promote efficiency and effectiveness that could lead to organizational success. The studies show that if the organizational strategies and technology would be complex, its key success is human factor. Therefore, managers should consider to the factors which effect on organizational success. One of these factors is talents issues.

In a competitive marketplace, talent management is a primary driver for organizational success. HR leads the way for the organization to own, as an entity, the role of talent management for organizational success (Lockwood, 2006). Successful organizations evaluate the worth of every investment. Talent management is no exception.

Talent is the primary driver of any successful company. "It's become increasingly obvious to most business owners and executive teams that, rather than being constrained by capital, companies are typically most constrained by talent. "Corporations have learned that, depending on what your business strategy is and what challenges you may face, at any given time you need the right talent to execute that strategy or deal with that challenge," (Gebelein, 2006).

According to McGee (2007), effective work with talented people is based on talent management strategy that is derived from the organization strategy. Talent management strategy is trying to ensure that existing talented, worthy, and committed people are contributing in achieving the existing and future needs of organization, and this procedure is called the talent pool (Horvathova, 2009).

Talent pool is a group of people ready for responsibilities. People who are placed in a talent pool may appear with various abilities. An approach is that managers are asked to evaluate and select individuals. Another approach is using objective assessment methods such as multilateral evaluation to identify individuals who likely would be useful for future responsibilities. Developed talent pool is introduced to replace traditional succession planning. In this system, managers don't worry about who helps them. CEOs, regardless of daily work have more time to track skills of pool members—that is, develop future's managers. The size of developed talent pool depends on the number of executive position, and the ability of an organization to develop. In an average organization, there may be one pool, but in large organizations may be two pools- one in the senior management levels and the other in middle management levels. Number of pools often reflects the organizing of organization (Beheshtifar and Nekoie-Moghadam, 2011).

An important point to formation of talent management is that this formation is different at organizational levels. At the lower level, no strategy, policy or formal developed activity exist. While at a higher level, talent management strategy was formed and it is specified through the organization strategy. At this level, individual and group talent is identified (Beheshtifar and Nekoie-Moghadam, 2011).

An international study of Hal (2007) show that 83 percent of Germany's managers and 95 percent of Nether-land's managers observe a direct leverage effect between talent management practices and organizational success (Bethke-Langenegger, et al. 2010)

Here are some ways HR leaders can go about planning and activating a talent management strategy:

1. Engage your top leaders – including your CEO. Explain why your organization needs a talent management strategy, outline your goals, tell your leaders how you will measure success, and ask them for their full support.
2. Assign a talent leader. Designate a senior-level person to develop, consistently update, and champion your organization’s talent management strategy.
3. Audit key positions and required competencies. This will help you understand your talent bench line – existing talent (headcount and skills) to meet current goals.
4. Map out future needs. Involve talent management in your organization’s strategic planning meetings to determine talent requirements for future needs.
5. Use automation to improve processes and workflow. Support your programs with technology, but do not expect technology to be a surrogate decision-maker.
6. Put relevant metrics in place to measure success. Regularly share results with your organization’s senior leadership with recommendations for improvement.
7. Launch your talent management strategy with direct CEO support. Ask your CEO to personally announce your organization’s talent management strategy. This will signify the strategic importance of talent management planning and programs to everyone in the organization (Nancy, 2006).

Also, there are some strategy perspectives about the subject as following:

- Process perspective: There is the process perspective which proposes that it includes all processes needed to optimize people within an organization. This perspective believes that the future success of the company is based on having the right talent – so managing and nurturing talent is part of the every day process of organizational life.
- Cultural perspective: There is the cultural perspective that believes talent management is a mindset and that you must believe that talent is needed for success. This can be seen where every individual is dependent on their talent for success due to the nature of the market in which they operate, and is typical of organizations where there is a ‘free’ internal labor market, with assignments being allocated according to how well they performed on their last assignment. Alternatively, this can be an organization where the development of every individual’s talent is paramount and appreciated, and allowing people to explore and develop their talent becomes part of the work routine.
- Competitive perspective: There is the competitive perspective that proposes talent management is about accelerated development paths for the highest potential employees, applying the same personal development process to everyone in the organization, but accelerating the process for high potentials. Hence the focus is on developing high potentials or talents more quickly than others.
- HR planning perspective: There is the more general HR planning perspective which claims talent management is about having the right people matched to the right jobs at the right time, and doing the right things. This is often identified with companies currently experiencing rapid growth which to some extent is driving the talent management system, and once they become more stable in terms of size of operations their perspective might

change. Succession planning tends to be more prominent in organizations taking this approach.

- Change management perspective: Finally, there is the change management perspective which uses the talent management process as a driver of change in the organization, using the talent management system as part of the wider strategic HR initiative for organizational change. This can either be a means of embedding the talent management system in the organization as part of a broader change process, or it can put additional pressure on the talent management process if there is widespread resistance to the change Process (Kehinde, 2012).

Organizations notice to talent management is important, so that they could recruit, maintain and develop their needed talent; or intended to discover talents inside or outside of organizations.

Conclusion

While in the past, manpower faced the problem of shortage occupation, modern organizations are dealing with talent scarcity, and demand for talents is much higher (D'Amato & Herzfeldt, 2008). Hence, talent pool and talent management from countries and organizations have been targeted, and economists have also proven that finding talented people, as one of the world's most valuable products, has been very difficult (Lutbush & Smith, 2007). Talent management is a successful business strategy – for organizations that see it as a long-term commitment.

Lewis and Heckman (2006) found that the literature can best be described in terms of three research streams: (1) talent management is conceptualized in terms of typical human resource department practices and functions; (2) talent management is defined in terms of HR planning and projecting employee/staffing needs; and (3) talent management is treated as a generic entity and either focuses on high performing and high potential talent or on talent in general (Beheshtifar & Ziaadini, 2012).

So, talent management has been major priority for many organizations and success of today's organizations directly linked with used talents. Talent identification and development, which is known as talent management refer to the process by which the organization identifies employees who are capable to play leadership role in future. This approach emphasizes developing talent pools that have high leadership ability. On the other hand, organizations should pay attention to all members within organizations for talent management, and put middle managers responsible for recruitment staff. Successful organizations know their talent management needs because they have designed and implemented a viable talent management strategy.

But, it still remains open “whether talent management practices lead to organizational success or if organizational success provides the resources to invest in talent management practices” (Lewis & Heckman, 2006).

In today's organization, talent management needs to transform from a support activity to a competitive activity. Also, all levels of management must be on board with the importance of talent management strategies. When the board is involved, the value of talent management is apparent and has high visibility. Yet to be successful, the value must be understood throughout the organization.

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