Chapter -1

Talent Management- Theoretical Perspectives

1.1 Introduction
The present study is an attempt to identify the hidden talents of employees and find out the obstacles to identify these talents.

As we know, various organizations are going for downsizing or VRS (Voluntary retirement scheme) /CRS (Compulsory retirement scheme) because of the recession. Today, these organizations are facing shortage of talented manpower; therefore, they can be benefited by making a better use of the hidden talents of their employees. For example, a person who is working as an accountant in the organization and he also has a good knowledge of event management. Then an organization can identify such an employee’s hidden talent, train him and utilize his talent for managing the various events for the organization.

The present study gives an idea about the various aspects of the study, such as-conceptual perspective of talent management, definitions of hidden talent and talent management, significance of talent management, its evolution and management responsibilities regarding hidden talent management, differentiator strategy of talent management and types of talent.

This study is structured along a literary review which provides theoretical framework of the uniqueness of talent management system in an organization. In the following paragraphs the researcher has explained the concept of talent management in brief.
1.2-Conceptual perspective of Talent Management

Over the years, talent management has evolved, along with expanding responsibilities and sophistication of the HR profession to be incorporated into the goals and strategy of an organization. Talent management has moved away from being an administrative process to a continuous organizational practice with a strategic focal point that drives organizational outcomes\(^1\). The treasure of talent is now hunted in the famous talent wars. It is the top business priority for leaders, surpassing the growth as a commercial objective, according to a new international study.

Talent management is the ability to create and use talent to achieve organizational objectives. The term covers a wide range of talents such as technological talents, managerial talents etc. Talent management is the proven practice of using interconnected human resource processes to provide a simple fundamental benefit to any organization. The term talent management means different things to different organizations. To some it is about the management of high worth individual or the talented, whilst to others it is about how talent is managed generally –i.e. on the assumption that all people have talents which should be identified and liberated.

Talent management is the last major business function to be automated with comprehensive data capture and analytics. As a result, many companies know more about their laptops than their people. This concept refers to the anticipation of required human capital the organization needs at the time then setting a plan to meet those needs\(^2\). Talent management in this context does not refer to the management of entertainers.
Many organizations today, look at talent management as a new process like Total quality management or knowledge management. Like any change initiative, introducing talent management process in a company needs to be preceded by clear objective and an understanding of what are the key benchmarks to be achieved in the process. Research has shown that talent management and best practice transfer happen best when the process is driven by an intention to create value for the business.3

Organizations in the west are already feeling the shortage of great management talent. “Talent is the fundamental basis of competition and organizations having superior talented employees are able to coordinate and combine their traditional resources and capabilities in creative and distinctive ways and provide more value to their customers.

The pivotal talent pools are the vital targets for HR investment and leader attention. Organizations have specific talent management strategies for this pivotal talent. For example- In the case of 3M a fast tracker/high potential pivotal talent is an employee who consistently contributes at a significantly high level. Confidence exists that the individual will move to the next job band within three years and in case of west coast Energy he is the one who “demonstrates a pattern of success in new and tough situations levels tracks in the sand takes personal risks and makes processional sacrifices”. Yet, all organizations face the talent war on retention of these high performers which essentially form, among others, the base for organizations.

Relevant talent empowers and facilitates performance. It strengthens linkages between effort and performance.

Today, the economic environment is a complex interaction of volatility, uncertainty, complexity, ambiguity; the delayed reaction. It extends from talent agencies and managers. The changing times,
organizations are discovering the criticality of the stabilization process conducted leadership that ensures a high level of leadership of liquidity as managers’ cascades.

Deeply integrated talent management strategy within the overall strategy of the company (Human resource empowerment) taking a longer term horizon, the initiatives can also be extended to other areas like talent acquisition, performance and talent management leadership development. The current global workforce is the result of major demographic change, coupled with the effects of globalization. Increasingly, organizations must meet the needs of the employees of two generations-old and new. Similarly also the need to balance the need for transparent migration of talent across multiple sites based on business needs more fluid.

Building strong organizations in the future, organizations and business people view talent management as a critical business enabler and to connect the volatile business climate with changes in demographics global workforce.

By harnessing the hidden talents of employees, bosses can transform not only their business but also maximizes the use of their employees’ full potential. The key to unlocking these talents is to identify the hidden talent of the employees and effective training, citing the example of staff acquiring presentation skills or management skills through voluntary work as well as offering careers advice and E-learning.

According to a survey by learn direct business 4, 60 percent of staff believes, they have a talent developed outside of work. Their employees could make use of such talents ranged from writing ability and IT skills to sales ability. Furthermore, 82 percent of staff said their managers had never enquired about their hidden talents.

There is a hidden talent in each and every person . But many times management never enquires and utilizes this hidden talent of the
employees for the development and achieving the objectives of the organization. It is the responsibility of every organization to identify the hidden talent of the employees as every employee having the hidden talent. If the management finds out the hidden talent of their employees and accordingly makes a record of that and gives the training for that talent and utilize it for the organization, it will not only save the money of the organization but also the employees will feel how important they are in the organization.

In the following paragraphs the researcher has taken a brief review of evolution of Talent Management Concept.

1.3- Evolution of Talent Management

The Talent Management is term which emerged in the 1990’s to incorporate development in HRM, which placed more of an emphasis on the management of human resources or talent. There are various stages of evolution of the term talent management. These stages are explained below.

Stage-1-Personnel Department

In the 1970s and 1980s the business function which was responsible for people was called "The Personnel Department." The role of this department was to hire people, pay them, and make sure they had the necessary benefits. The systems which grew up to support this function were batch payroll systems. In this role, the personnel department was a well understood business function.

Stage 2 – Strategic Human Resource- In the 1980

In the 1980s and 1990s organizations realized that the Human Resource function was in fact more important and the concepts of "Strategic HR"
emerged. During this period organizations realized that the Vice President of Human Resource had a much larger role, viz- recruiting the right people, trained them, helping the business design job roles and organization structures (organization design), develop "total compensation" packages which include benefits, stock options and bonuses, and serving as a central point of communication for employee health and happiness.

The "Head of Personnel" became the "VP of HR" and had a much more important role in business strategy and execution. The systems which were built up to support this new role include recruiting and applicant tracking (ATS), portals, total compensation systems, and learning management systems. In this role, the HR department now became more important than a business function: It is a *business partner*, reaching out to support lines of business.

**Stage-3-Talent Management**

Figure-1.1
We are now entering a new era of globalization and liberalization, the importance of the term. Talent Management is increasing continuously. While strategic HR continues to be a major focus, HR and learning and development organizational are now focused on a new set of strategic issues.

1). How can we make our recruiting process more efficient and effective by using “competency-based” recruiting instead of sorting through resumes, one at a time?

2). How can we better develop managers and leaders to reinforce culture instill values and create a sustainable “leadership pipeline”?

3). How do we quickly identify competency gaps? So we can deliver training, e-learning or development programmes to fill these gaps? How can we use these gaps to hire just the right people?

4) How do we manage people in a consistent and measurable way so that everyone is aligned, held accountable and paid fairly?

5) How do we identify high performers and successors to key positions throughout the organization to make sure that we have a highly flexible, responsive organization?

6) How do we provide learning that is relevant, flexible, convenient and timely?

These are the new and more challenging issues which require new processes and systems. They require tighter integration between the different HR Silos and direct integration into the line of business
management processes. Today, organizations are starting to buy, build and stitch together performance management systems, succession planning systems and competency management systems. Therefore, the talent management as an element of HR function is becoming integrated with the business in a real time fashion.

In current economic conditions, many organizations have felt the need to cut expenses. This should be the ideal environment to execute a talent management system as a means of optimizing the performance of each employee and the organization.

In the following paragraphs the researcher has highlighted the responsibility of management regarding the need to identify the hidden talent of the employees.

1.4-Management Responsibilities regarding Hidden Talents of Employees

According to Kirstie Donnelly, Director of products and marketing, learndirect business by harnessing the hidden talents of potential superhero employees, management can transform not only their business but also maximizes their employees full potential.

As stated earlier, it is the responsibility of the management to identify the hidden talent of the employees as every employee having the hidden talent. If the management members of the organization know the hidden talent of the employees and accordingly make a record of that and give the training for that talent and utilize it for the growth of the organization. Effective training strategy plays an important role in this context. It is the key to unlocking hidden talents and ensuring employees meet the day to day business objectives. For example, an employee may
run a football team or do voluntary work for a charity. These activities will be assigned to them as per their talents which can be used to inspire or motivate clients and colleagues.

It is the prime responsibility of the management members to make aware to the employees regarding their hidden talents. Kirstie explained in this context that, we are calling on both employers and employees to talk to each other about hidden talents and realize these hidden inner potentials of employees. Not only does it make good business sense but it also motivates and empowers employees. Many organizations have plenty of talents among their employees, but they never try to discover or exploit these hidden talents but they assume that they lack talents. The management members should think positively in this context.

In today’s liberalized and globalized economy era, finding external talent to fulfill organizations’ needs are not always possible, and nor always necessary. Just by paying attention and asking the right questions management members will likely to discover many hidden talents among the existing employees. Talented employees are like an inventory, if they are not managed and developed, they are the same as an underperforming asset. A ‘Talent Capability Mapping’ strategy provides an organization with a framework to identify top talent. Thus it is a responsibility of the management to prepare an effective talent capability mapping strategy.

The drive and desire to manage talent effectively, should be a strategic priority. Growth of organization is depends on its people and the overall development of people depends on the development policies of the organization. The problem faced by many organizations lies with management peoples/managers who do not think it is important to
develop their working people. Whether these are the accidental manager’ who have been over promoted and are lost lambs or the ‘Schizophrenic bully’ whose main objective is self-promotion. No point in closing the stable doors once the rising stars in your team start bolting their way to the competition.

Talent management cannot and should not be isolated from business strategy, whether you are running a global conglomerate or managing a trendy Coffee shop on the high street. Take your eye off the talent management ball and you will lose your best people and your business will suffer.

In the next paragraphs researcher has taken a brief review regarding differentiator strategy of Talent Management.

### 1.5 Differentiator Strategy of Talent Management

Talent has become the key differentiator between two equally competitive work organizations. Grounded within Strategic HRM, the management of talent seems to be the only key function which HRM is playing strategically in organizations. Talent management ensures HR function to have a direct impact on the performance of the company through the careful management of its talent portfolio. Talent management has developed and evolved over the years in response to the many changes at workplace. Adapting itself from “Tayloristic” perspective of manpower, to the relationship driven nature of “Human Relations” movement, to this century’s downsizing and the current “talent wars” between organizations.

Though the war for talent in organizations has been dampened by economic concerns as well as concerns for global security, the real battle
to attract, develop, motivate and retain talent is going to heighten in the coming years. Talent management is fast gaining top priority for organizations across countries\textsuperscript{12}. The various aspects of Talent Management are recruiting, selection, onboarding, mentoring, performance management, career development, leadership development, replacement planning or recognition and rewards etc\textsuperscript{13}, which get HR to the business strategy table stakes. In the following researcher has explained the types of talents.

1.6 **Types of Talent**- The talent matrix in many organizations like Baxter, Phillips, Siemens, GE, JK Org, Pepsico, Coke etc, provides a classification of talent types. This matrix is essentially a performance potential matrix and came into practice with GE’s nine block evaluation tool\textsuperscript{14}.

The concept of Talent Management exists in every organized setting, the extent of its formalization and effectiveness determines its success. It can be proactive or reactive. Proactive talent management is when employers have an integrated system in place to identify talent, assess its importance to the organization, develop it, and allocate training and other resources. An organization with proactive talent management process will have to manage the following challenges-

1) Assessing competencies and ranking their importance to the organization, developing training, emphasizing them.

2) Dealing with forces that affect talent, such as demographics, the need for work/life balance, employees’ desire to control their own futures and the changing nature of HR.

3) Examining the return on investment from employees and determining their value to the organization.
4) Creating compensation and long-term incentive plans that reward top performers.

5) Selecting the performance management system that best fits the workplace, including choosing the right appraisers and deciding whether skills, results or traits such as autonomy or judgement should be the basis of measurement.

6) Using feedback mechanisms like 360 degree feedback, including successfully communicating its purpose and use to employees.

7) Casting a wider net by finding talent in unexpected places and using informal evaluations to identify employees who might go further. For Example-the temporary employee whom a company hired and made a manager within a few months or like the staff who spent numerous years typing letters until he was asked to become a customer care executive in which he excelled.

In the following paragraphs the researcher has given some functional and conceptual definitions about the concept of “Hidden Talent”

1.7-Functional and Conceptual Definitions –

1). Hidden is defined as “difficult to find or not accessible to view; Concealed”.

2). According to Chris Philips(UK), Talent is defined as ability or quality possessed by a person in a particular field or activity”

3). According to Chris Philips(UK), “Talent Management is evolving to become a series of complex HR processes combined to make sure you have the right staff, in the right role, doing the right things.”
4). According to Skellie-Hidden Talent has been defined as things you are great at but nobody knows about\textsuperscript{19}.

5). According to SHRM(Society of Human Resource Management) glossary of term as “the implementation of integrated strategies or systems designed to increase workplace productivity by developing an improved process for attracting, developing, retaining and utilizing people with the required skills and aptitude to meet current and future business needs”\textsuperscript{20}.

6). DDI (Development Dimensions International) 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 management is a business process that systematically closes the gap between the talent an organization has and the talent it needs to successfully respond to current and emerging business challenges”\textsuperscript{21}.

\textbf{1.8- Significance of Talent Management-}

Business leaders have instinctively known that top talent drives superior performance whether that realisation is evident in an outstanding sales representative who consistently exceeds quotas or in a brilliant engineer who develops the next product innovation. Over the past half a decade, the way business leaders think about talent has evolved. Now talent is a priority issue in the boardroom, policies and technology to acquire, retain and optimize talent in the organization\textsuperscript{22}. In fact, one study of executive (CFO-Research Services and Mercer Human Resource Consulting, 2002) found that-
1) 82 percent believe that human capital has an impact on profitability.

2) 92 percent think that human capital has a significant effect on customer satisfaction.

3) 72 percent believe that human capital has an impact on innovation and new product development.

Business leaders, now acknowledge that talent drives performance in the form of better customer service, higher sales performance, product and service innovation and business process improvement, as well as strong management and leadership. Now CEOs are realizing the significance and impact of aggregated workforce talent. For example, in the IBM 2006 CEO study, 41 percentage of CEOs indicated that, employees are the best source of innovation within an organization.

Increasingly, executive teams are looking at the assembled workforce and even their external talent as corporate assets that can be effectively leveraged to create more business value. The evolution of the ‘Talent Age’ and the increasing view of people as assets. Yet, at the same time, the current workforce climate is one of the most turbulent and challenging to find and retain the top talent within.

Talent Management refers to the process of developing and integrating new workers, developing and retaining current workers and attracting highly skilled workers to work for the company. Talent management in this context does not refer to the management of entertainers. The term was coined by David Watkins of Soft Scape published in an article in 1998.\(^2\)
Talent has been identified as the most critical factor of production in the past-industrial economy. In this new talent oriented economy, successful organizations will be those that can assimilate new ideas and translate those ideas into action faster than their competitors. This has led organizations to turn to talent management in an effort to improve business performance.

Talent management can be described as the entire gamut of activities that an organization undertakes for the creation, assimilation and application of talent within the organization. Why has managing talent come to assume such importance in the existing economy even though all the major advances since the beginning of civilisation have been based on the creation and application of talent? The different arguments put forth have been the rapidly changing and unpredictable business environment, globalization, liberalization, and the proliferation of information technology that can reach information to any corner of the world on a real time basis. What this implies for an organization is the necessity to take rapid decisions in an environment of uncertainty. Since past experience can no longer be the predictor of future success, the hierarchical mode of decision making, which relies on the expertise of a few individuals, is too slow, inflexible and inadequate for effective decision making in such a dynamic environment.

To conclude, the expose of employee’s hidden talents and talents usage activities are intrinsically motivating and satisfying for a talented employee. Hence, organizations should invest substantial time and resources to creating a culture for talent management.

1.9. **In Conclusion**- The concept of Talent Management is not new. But in the past, in the 1960s and 1970s, it was viewed as a sole
responsibility of the “personnel department”. Today, it is a dynamic systematic and continuous organizational practice. In the conference Board’s 2003 and 2004 CEO challenge studies, issues of leadership talent and employee engagement were identified as being among primary CEO concerns. In DDI’s 2005-2006 leadership forecast, more than 4500 leaders from around the world cited improving and leveraging talent as their second-most important business priorities preceded only by improving customer service/relationships.

Talent Management is a process that emerged in the 1990s and continues to be adopted, as more organizations come to realize that their employees’ talent and skills drive their business success. These organizations develop plans and processes to track and manage their employee’s talent including the following-

1) Attracting and recruiting qualified candidates with competitive background.

2). Managing and defining competitive salaries

3). Training and development opportunities

4). Performance management processes

5). Retention programmes

6). Promotion and transitioning

Therefore, “Talent Management” has become one of the most important buzzwords in Corporate HR and Training activities, today.
**References**


