

Trends in Talent Management

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Abstract— Talent management is a new avenue of Human Resources management which has inherited its advantages and enhanced its meaning. It defeats the flaws of the traditional, modular and distributed HRM, and offers a novel approach that is systematic and sustainable. In this paper we will look at talent management from a global viewpoint, discussing various factors that drive talent management solutions and theories on which these solutions may thrive. We will also throw light on the various activities involved in the theoretical and practical implementation of a talent management system.

Keywords- Talent, Talent Management System, Talent Development, Human Resources Management

I. INTRODUCTION

The 21st century is an era of widespread technological development. In the last few years, Talent Management has grown from an unstructured phenomenon to a well-defined idea. The focus of talent management is to emphasize a special platform for the purpose of employee advancement. It is an employee, branded by a set of competencies, who creates an advantage over competitors and guarantees a superiority to the performance of a corporation. Competencies can be conceptualized into static and dynamic competencies. Dynamic competencies refer to skills that are honed through learning experiences, such as training and international travel and they may change over time. Static competencies are characteristics that are consistent over time, such as personality traits. There exist many approaches to manage these valuable assets of a company, including human resource management, human capital management and workforce management. The Information Age, however, moved the basis of economic value from goods to intellectual assets. Thus, since the last 10 years, substantial attention has been given to the idea of exploiting an intangible asset, 'talent', the competencies of companies' best employees.

Talent management may be defined as the activities involved in identifying key positions in an organization, developing a talent pool of high potential candidates, recruiting competent incumbents into these positions, and retaining the talent to help businesses and individuals play their best long-term advantages. It is no longer a responsibility of just the HR department, but a shared responsibility for both the HR team and senior administrators to achieve continuous talent supply.

II. FACTORS INFLUENCING TALENT MANAGEMENT

Today, talent is the most strategic asset, and people are the greatest creator of value. Customary business and talent management processes and technology must evolve in order to effectively deliver business value. The various economic, demographic and technology factors driving changes in management of talent are listed below.

A. Globalization

Globalization has allowed businesses to expand into new countries and markets, increasing their customer base as well as workforce. Talent that had previously been inaccessible became available. Many companies in developing markets are now competing for global talent. Although global leaders are looking for newly available pools of talent, those in established economies need to also guard the talent in their own fort. Established companies must not only compete on their home turf, with their local competitors, but also with emerging multinationals from developing economies.

B. Structural Unemployment and Skill Gap

Structural unemployment is a scenario in which certain skills are no longer required within an entire sector. The result is an irregular distribution of talent relative to the open jobs. In periods of structural unemployment, applicants with certain kinds of skillsets cannot find jobs, and companies fail to staff certain kinds of open positions.

Reskilling and continuous peer-to-peer learning cultures will become important, as will the ability to promptly and precisely identify modern day skills in the organization. To compensate for this employee shortage, a growing number of corporations seek to recruit raw potential and then develop this potential themselves.

C. Workplace Diversity

Workplace and team diversity is increasing, primarily due to globalization and demographic changes. A more diverse pool of talent brings new opportunities, diversity in innovations and leads to better outcomes, but it may also carry risks related to team cohesion, cultural bias, short-term performance and communication gaps.

With older workers staying in their jobs longer, the personnel is now a mixture of varied generations, each with a different work ethic, different levels of comfort with technology, and unique preferences in how they create, consume, and share information.

D. *Augmented Expectations*

Technology advances are increasing exponentially. It is universally accepted that much of what college students learn is out-dated by the time they graduate. As candidates and employees employ new gadgets and technology in their personal lives, they will expect comparable tools and gadgets in their professional lives. They will begin to judge employers by their commitment to employee enablement and the company's capacity to replace consumer tech with enterprise tech.

E. *Digitization and Telecommunication Growth*

In the past few decades, employee data has been digitized and assimilated into talent profiles. Techniques such as feature matching, scoring and ranking and various recommendation technologies can be applied in the field talent management to fit employee profiles into business positions. The internet has had a major impact on human resource management in companies. It has provided means for people to connect, communicate, and create communities. With the emergence of social media, a number of services have permitted potential candidates to maintain a body of work in the form of a work profile along with a resume on a cloud. The digitization of data and will transform how companies generate workforce strategies, attract, recruit and utilize talent, and create goal-oriented talent development plans.

Telecommunication technology is experiencing the same exponential growth. With the improvements in mobile technology, cell phones are already a dominant method of connecting to the internet from any corner of the world. The incredible advances in telecommunications over the past few years and the coming innovation in the next few years will lead to profound changes in how we utilize talent within given geographies and across them. This enables organizations to source and collaborate on knowledge work with any part of the world, selecting from a global talent pool, not just for full-time employees but also through contractors and visiting consultants.

III. TALENT MANAGEMENT THEORIES

Due to the intensifying competition in the business environment, companies have now begun to realize the challenge of formulating and focusing on a talent strategy. Business managers want to solve the "talent problem", but cannot master the complex concept of talent management appropriately. Thus, in the transition from traditional HRM to talent management, we should explore available implementation theories by scientific attitude and approach. Several theories from the fields of international human resource management and strategic human resource management are available to talent management scholars. [3] When selecting a theory, it is essential to note that the emphasis of talent management is on individuals with high levels of human capital.

A. *Human Capital Theory*

This theory can further the understanding and development of talent management, both for academics and human resource practitioners. Human capital theory views human capital as a form of resource that organizations can invest in and is of value to the organization to the extent that it makes the

organization productive. This theory can assist future scholars in examining how organizations and individuals make decisions regarding investments in human capital.

B. *Institutional Theory*

This theory can provide guidance on how to manage the global talent management systems in the changing economic, demographic and technology context, such as the drivers and factors discussed earlier.

C. *Resource-Based View Theory*

This theory can be used to examine how effective organizations manage their talented employees. It takes into account various criteria such as strategic value, uniqueness, inimitability, immobility and appropriability. However, this strategy identifies internal strengths with no regard for current market value.

D. *Workforce Differentiation or Segmentation*

Workforce Differentiation or Segmentation focuses on individuals with high levels of human capital. The main assumption of Workforce Differentiation is that employees that add more value to the organization should be treated differently. Furthermore, the most talented employees should be placed in the most critical jobs or positions that have the most significant impact on the organization's business. Organizations should invest more of their resources to these 'grade A' players.

E. *Transaction Costs Theory*

This theory can be used to understand how talent management practices can be used to provide governance structure for managing implicit and explicit contracts between the desired players and their employers.

IV. ACTIVITIES INVOLVED IN MANAGING TALENT

A. *Recruiting Talent*

This includes practices that select and recruit talent. These activities can be broadly described in the following manner:

1) *Aggressive Talent Sourcing:*

A challenge for administrations is how to reach a talent pool. Multinational organizations employ creative and aggressive strategies to attract talent which include:

- Targeting particular individual profiles
- Attracting raw talent with a potential for development
- Recruiting foreign residents to work in their own country
- Attracting an assorted pool of applicants

2) *Talent Planning and Deployment:*

Research here focuses on capabilities that will be required in various locations. It uses existing attrition and retirement data of the employees along with the firm's business strategies. The aim is optimal talent positioning, which is, having the right talent at the right place at the right time.

Organizations are also concerned about a deployment strategy, to position acquired talent across the organizations in various regions.

B. Developing Talent

A large number of companies use an ad hoc approach to developing talent. This includes procedures that provide job and career related competencies to talented individuals. The talent development process is outlined below:

- Identify who to develop
- Design the competencies to develop and for how long
- Evaluate the analytical tools to measure effectiveness
- Provide the management with organizational support

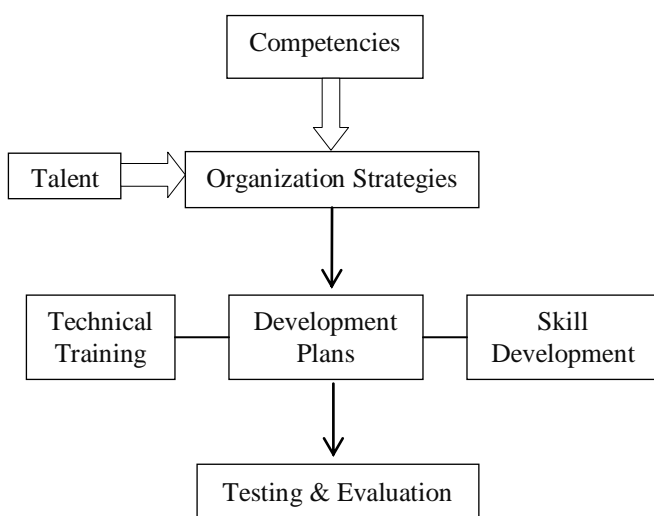


Fig. 1 Talent Development Process

C. Retaining Talent

Retaining involves preventing talented employees from leaving the organization. Research in this area can be grouped into two categories:

1) Retention Strategies:

Job satisfaction and passion for work play a vital role. One of the key challenges many organizations face is talented employees leave, taking with them developed competencies and experiences. One perspective on this issue suggests that in a fluid work environment short-term tenure of talented employees is customary and companies should extract as much possible from talented employees in a short period.

2) Repatriation:

This area focuses on issues that organizations face when talented employees return from foreign assignments. Expatriate assignments are a remarkable tool for attracting and developing global talent. Repatriates possess unique knowledge upon return and can enable the handover of knowledge from subsidiaries to headquarters. However, many repatriates leaving the organization after the

assignment completion is a major concern for many multinational organizations that have expatriates.

D. Mobilizing Talent

Mobilizing includes relocating talented employees across geographic locations.

1) Global Mobility:

This deals with the management of talented employees sent on foreign assignments. An issue faced by multinational organizations is, understanding who is inclined to international work. A possible solution is to focus on early career individuals like business students, and design educational programs to prepare them for international work. Another major issue faced by multinational organizations is when their best talents do not return after completing the assignment and begin working for local firms instead.

2) Talent Flow:

A major implication of flow of talent is countries experiencing changing demographics and countries with a shortage of skilled workers need to improve immigration policies to attract talent from the global talent pool. Countries with rigid and bureaucratic immigration policies are more likely to depend on outsourcing to find talent. They will have to send work to the countries where the talent resides

V. FUTURE CONSEQUENCES

The technological paradigm shift is the world's greatest revolution. At no other time have so many empowering technologies been in the hands of everyday citizens. This environment has and will continue to deeply affect talent management practices. Future generations will be enculturated to expect high levels of autonomy and self-sufficiency. Expecting them to work in highly structured roles, characterized by little self-direction will be an unachievable challenge.

The continuous rise in contingency work is driven by outmoded business practices with top-down hierarchical practices, an increase in industrial power, and a business-driven need to become more agile. These regulatory changes affect talent management practices and processes, due to which some of the largest global companies will swim into the global talent ocean while others will never leave the backyard swimming pool.

VI. CONCLUSION

This Literature Review suggests that there are strong drivers such as shortage of talented workers, varying demographics, fluctuating work outlook and structure, and cross-culture differences, shaping the field of global talent management. These drivers impact HR policies that are used for attracting, developing, retaining, and mobilizing talent. It is likely factors discussed will reshape timeworn talent management techniques and extend the existing theories of management of talent beyond the four walls of a company and the existing standards of business relationships.

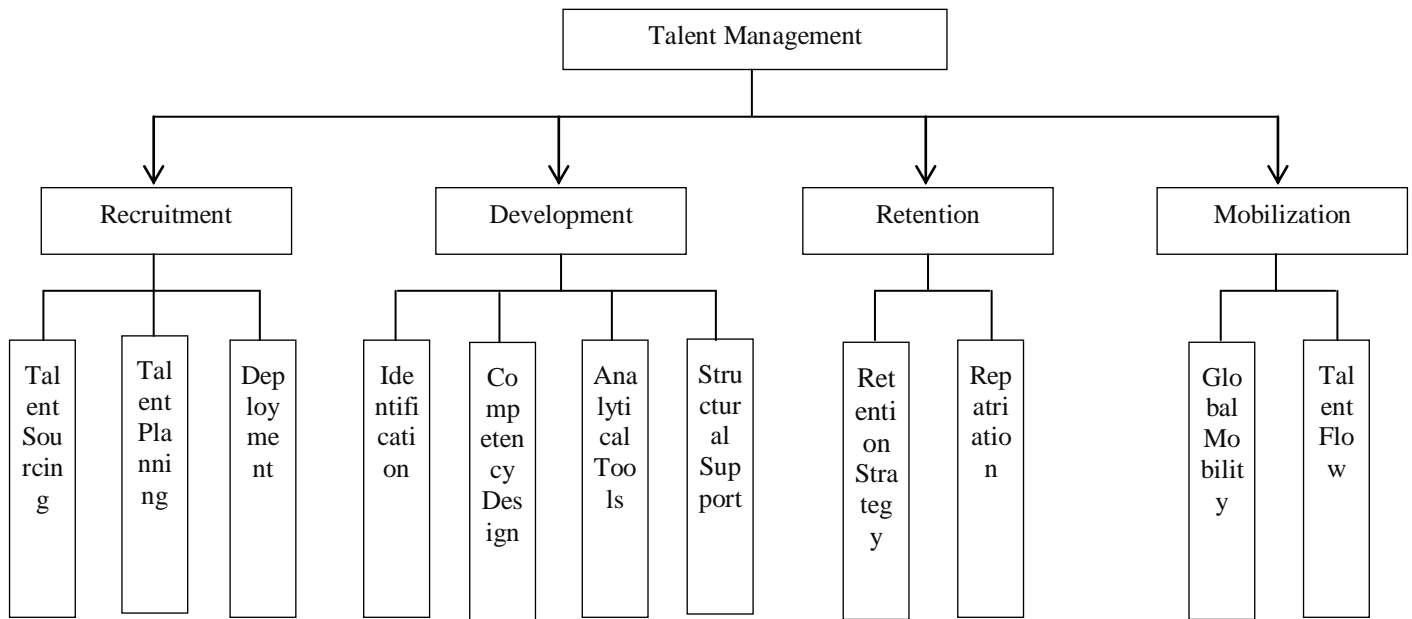


Figure 2. Talent Management Structure Map

Global talent management is a relatively new multi-disciplinary field of enquiry that attracts a series of abstract and pragmatic perspectives. As with any emerging field, study and survey will be essential to improve the clarity of definitions, frameworks and models. Impending research is required to facilitate the transmission of knowledge between academicians and HR practitioners. In this Literature Review, themes were identified to provide theorists and HR authorities an understanding about “Talent Management”.

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