



Human Resource Practices and Talent Management in Indian Industries

Ms. Kriti Garg (Research Scholar), Dr.Pramod Gupta
Department of Management Studies,
SunRise University-Alwar

Abstract:

Talent – a long used term in many Human resource departments of most companies, is a scarce resource, which needs to be managed effectively. McKinsey in their 1997 study coined the expression “War for talent”. Since then throughout literature different interpretations have been identified for talent management. There are various aspects and steps to follow talent management from planning, acquiring, developing, managing and retaining talent. With the growth of Information Technology (IT) industry in India in the past two decades, the number of employees joining this sector has increased manifold. Thus, there is a need to understand as to how the talent in this sector is effectively managed and what are the perceptions of the employees in the IT sector with the related dimensions of talent management, which can be broadly classified as employee engagement, retaining talent, training & development, rewards & recognition and succession planning.

Key-Words: Talent management, Indian industry, human resources, challenges.

Introduction:

Talent Management Defined

- Talent Management Primer:- An article from the Asian Development Bank that clearly defines the key concepts and elements of talent management
- Core Components of Talent Management: - Internal resource from John Hopkins University that provides a detailed breakdown of their talent management system and its implementation.
- Talent Management and Job Analysis: - These slides present the basics of job analysis, a key component of talent management.
- Building and Maintaining a Talent Pipeline: - Review talent management best practices and key principles of effective talent management.
- Nurturing Talent:- A short paper that that addresses the philosophy behind talent management
- A Holistic Approach to HR:- Understanding the principles of talent management as a holistic new approach to the human resources lifecycle.



- Principles for Measuring Performance:- Learn six principles of performance measurement, a factor in talent management.
- The Construction of Talent Management: - This academic article examines the nature of talent management and the evolution of HR practices.

Why Talent Management is Essential for Businesses :

- Developing Leaders through Talent Management: - This dissertation uses case studies to provide an in-depth look at talent management's role developing leaders within an organization.
- Talent Management Studies: - Boston College studies examine the value of talent management in the context of an aging workforce and the economic turmoil of recent years.
- Diversity in the Workplace: - This legal journal article presents case studies to compare the lackluster results of traditional diversity programs as compared with successful utilization of talent management.
- Growth and Innovation Agenda: - A study conducted by the Economist Intelligence Unit for the Chartered Institute of Management Accountants discusses the pitfalls of ignoring talent management.
- Talent Management-An Organizational Imperative: - This article answers important questions on the vital importance of talent management and provides key examples from large UK organizations.
- Talent Management and Skills Development:- Learn about the definition of talent management and its value in skills development
- Productivity and Management Practices: -This seminal 2007 study released by McKinsey & Co. establishes the significant importance of talent management on productivity.

Management Practices Tied to Several Measures of Corporate Success: A second study from McKinsey & Co. further illustrates the direct statistical tie between talent management.





Human Resource Practices and Talent Management in industries:

- **Right Person in the right Job:** Through a proper ascertainment of people skills and strengths, people decisions gain a strategic agenda. The skill or competency mapping allows you to take stock of skill inventories lying with the organization. This is especially important both from the perspective of the organization as well as the employee because the right person is deployed in the right position and employee productivity is increased. Also since there is a better alignment between an individual's interests and his job profile the job satisfaction is increased.
- **Retaining the top talent:** Despite changes in the global economy, attrition remains a major concern of organizations. Retaining top talent is important to leadership and growth in the marketplace. Organisations that fail to retain their top talent are at the risk of losing out to competitors. The focus is now on charting employee retention programs and strategies to recruit, develop, retain and engage quality people. Employee growth in a career has to be taken care of, while succession planning is being performed those who are on the radar need to be kept in loop so that they know their performance is being rewarded.
- **Better Hiring:** The quality of an organization is the quality of workforce it possesses. The best way to have talent at the top is have talent at the bottom. No wonder then talent management programs and trainings, hiring assessments have become an integral aspect of HR processes nowadays.
- **Understanding Employees Better:** Employee assessments give deep insights to the management about their employees. Their development needs, career aspirations, strengths and weaknesses, abilities, likes and dislikes. It is easier therefore to determine what motivates whom and this helps a lot Job enrichment process.
- **Better professional development decisions:** When an organization gets to know who its high potential is, it becomes easier to invest in their professional development. Since development calls for investment decisions towards learning, training and development of the individual either for growth, succession planning, performance management etc, an organization remains bothered where to make this investment and talent management just make this easier for them.

Talent Management Strategy to Create a Higher-Performing Workforce

Executives and HR management have always been focused on basic talent management—acquiring, hiring and retaining talented employees. But, to drive optimal levels of success, business leaders need engaged, high-performing employees. The key to inciting a workforce to greatness is to align your talent management with company strategy, define consistent leadership criteria across all functional areas, and identify specific competencies (analytical, technical, education, experience) to cultivate for continuing growth.



Business leaders who implement the best talent management processes are more prepared than their competitors to compete in the global economy and capitalize quickly on new opportunities. True success is only available when companies do more than adapt to long-term trends; they must be able to anticipate and jump on new opportunities before the rest of the market. A strategic talent management plan allows you to:

- Become "proactive" versus "reactive". Fill your critical talent management needs and address company and industry changes promptly;
- Identify essential skills to be developed in all employees, and minimize training costs by focusing on key development areas; and
- Improve your recruiting process by identifying high-quality candidates using job descriptions based upon the expertise of your high performing employees holding uniquely valued company or industry competencies.

Align Individual Goals with Corporate Strategy

The best talent management plan is closely aligned with the company's strategic plan and overall business needs. Goal alignment is a powerful management tool that not only clarifies job roles for individual employees, but also demonstrates ongoing value of your employees to the organization. When you engage employees in their work through goal alignment, you create greater employee ownership in your company's ultimate success; they become more committed to your company and achieve higher levels of job performance.

Objectives:

- To understand the concept of Talent management.
- To study the challenges of TM in context to Indian industries

Literature Review: The Human Resource Development as a Function has evolved in India very indigenously from the year 1975 when Larsen & Toubro Company conceptualized HRD as an integrated system and decided to separate it from Personnel. Since then, in the last 25 years most organizations have started new HR Departments or re-designated their Personnel and other departments as HRD Departments.



Today there are high expectations from HRD. Good HRD requires well-structured function and appropriately identified HRD systems, and competent staff to implement and facilitate the change process.

Talent Management - Opportunities and Challenges:

It faces the following opportunities and challenges:

- Recruiting talent
- Training and Developing talent
- Retaining talent
- Developing Leadership talent
- Creating talented ethical culture

1. Recruiting Talent

The recent economic downturn saw job cuts globally. Those who were most important to organizations in their understanding were retained, other were sacked. Similarly huge shuffles happened at the top leadership positions. They were seen as crisis managers unlike those who were deemed responsible for throwing organizations into troubled waters. It is the jurisdiction of talent management to get such people on onboard, who are enterprising but ensure that an organization does not suffer for the same.

2. Training and Developing Talent

The downturn also opened the eyes of organizations to newer models of employment - part time or temporary workers. This is a new challenge to talent management, training and developing people who work on a contractual or project basis. What's more big a challenge is increasing the stake of these people in their work.

3. Retaining Talent

While organizations focus on reducing employee overheads and sacking those who are unessential in the shorter run, it also spreads a wave of de motivation among those who are retained. An uncertainty about the firing axe looms in their mind. It is essential to maintain a psychological contract with employees those who have been fired as well as those who have been retained. Investing on people development in crisis is the best thing an organization can do to retain its top talent.

4. Developing Leadership Talent

Leadership in action means an ability to take out of crisis situation, extract certainty out of uncertainty, set goals and driving change to ensure that the momentum is not lost.



Identifying people from within the organization who should be invested upon is a critical talent management challenge.

5. Creating Talented Ethical Culture

Setting standards for ethical behavior, increasing transparency, reducing complexities and developing a culture of reward and appreciation are still more challenges and opportunities for talent management.



Today's Talent-Management Challenges:

1. Attracting and retaining enough employees at all levels to meet the needs of organic and inorganic growth. All three companies are facing a talent crunch. Essar, for example, has grown



from 20 thousand employees to a staggering 60 thousand in the past 3 years. Fifty-five percent of their employees have less than two years of tenure.

2. Creating a value proposition that appeals to multiple generations. With four generations in today's workplace, most companies are struggling to create an employee experience that appeals to individuals with diverse needs, preferences and assumptions. The Gap, for example, has 153,000 people in its workforce. The stores have a high percentage of Gen Y employees, while corporate roles and leadership ranks are primarily made up of Gen X'ers and Boomers. How does one create a compelling employee value proposition for the organization?

3. Developing a robust leadership pipeline. I believe one of the biggest potential threats to many corporations is a lack of a robust talent pool from which to select future leaders. This is in part a numbers issue—the Gen X cohort is small and therefore, as I like to say, precious. But it's also an interest issue—many members of Gen X are simply not particularly excited about being considered for these roles. There was wide agreement among the panelists that a lack of individuals ready to move into senior client manager and leadership roles is a critical challenge.

4. Rounding out the capabilities of hires who lack the breadth of necessary for global leadership. It's relatively straightforward to identify and assess experts in specific functional or technical arenas, but much more difficult to determine whether those individuals have the people skills, leadership capabilities, business breadth, and global diversity sensibilities required for the nature of leadership today. Increasingly, the challenge of developing these broader skill sets falls to the corporations. Essar has formed an academy specifically to develop and groom its own leaders.

5. Transferring key knowledge and relationships. The looming retirement of a significant portion of the workforce challenges all companies, but particularly those who are dependant on the strength of tacit knowledge, such as that embedded in customer relationships, a key to Mercer's business success.

Conclusion:

Businesses that outperform their competition know that strategic talent management is essential in building the right workforce necessary for precise business execution.

Executives use analytics and diagnostic tools to move beyond generalities or "gut feelings" into detailed analyses of workforce performance drivers.

The ability to rapidly train and retrain employees according to business need, create opportunities for real-time collaboration, and support the workforce with better analytics are all benefits of a strategic talent management process that will drive true business success.



Bibliography:

- Delery, J.E. and Doty, D.H. (1996) “Models of theorizing in strategic human resource management: tests of universalistic, contingency, and configurationally performance predictions”, *Academy of Management Journal*, 39, 802-35.
- Axelrod, B., Handfield-Jones, H. and Michaels, E. (2002) “A new game plan for C players”, *Harvard Business Review*, January, 81-88.
- Bateman, T.S. and Organ, D.W. (1983) “Job satisfaction and the good soldier: The relationship between affect and employee citizenship”, *Academy of Management Journal*, 26, 578-595.
- Frank, F.D., Finnegan, R.P. and Taylor, C.R. (2004) “The Race for Talent: Retaining and engaging workers in the 21st century”, *Human Resource Planning*, 27(3), 12-25.
- George J.M. and Bettenhausen, K. (1990) “Understanding prosaically behavior, sales performance, and turnover: A group-level analysis in a service context”, *Journal of Applied Psychology*, 75 (6), 698-709.
- Hackman, J.R. , Oldham, G., Janson, R. and Purdy, K. (1975) "A New Strategy for Job Enrichment," *California Management Review*, 17(4), 57-71.