

A Comprehensive Analysis of Talent Management: Exploring Several Aspects of Talent Management

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Abstract: Talent management is a highly important strategic concern for managers in global organizations and enterprises. Although talent management is important, there is a scarcity of research in this area, primarily consisting of conceptual studies. The objective of this essay is to enhance the reader's understanding of the perspectives, importance, and essential methods in the domain of talent management. Providing a comprehensive analysis of the correlation between various HRM tasks, with specific reference to secondary data and studies relevant to talent management. The aim of this study was accomplished by examining the existing body of research, which was chosen based on its relevance to the issue of talent management. Furthermore, the latest articles in this particular field were utilized

Keywords: Talent management, workforce planning, recruitment, and development in the field of human resources

I. INTRODUCTION

Talent management is a recently developed concept that has recently gained the interest of many scholars (Lewis and Heckman, 2006). To effectively manage their workforce, companies need to distinguish between employees based on their performance (Kontoghiorghes, 2016; Mensah, 2015). Human capital refers to the amalgamation of an employee's abilities, motivation, knowledge, experiences, and skills. To enhance productivity and performance in a firm, it is essential to possess the knowledge and skills necessary for effectively managing and controlling talented individuals. One way to achieve this is by allocating resources towards enhancing their abilities, expertise, and knowledge (Burbach and Royle, 2010; Máté et al., 2016).

Most expanding firms have recognized that the most effective personnel management practices are closely linked to the culture and strategy of the organization (Gamama et al., 2018). Skilled individuals are highly sought after by companies in the present business environment (Cappelli, 2008). Despite the widespread usage of talent management systems, some unresolved challenges persist (Van Zyl et al., 2017). The corporate environment has experienced significant changes in the nature of work and the emergence of new forms of labor. These changes are driven by advancements in knowledge innovation, the acquisition of new skills, and the heightened competition among firms (Bozionelos and Wang, 2006). The source of this information is Garrow and Hirsh's publication from 2008.

Due to the presence of ambiguity, complexity, and unpredictability in the corporate environment (Chuai et al., 2008; Dajnoki and Héder, 2017), companies have depended on their intangible assets, such as knowledge and skilled staff. Through careful observation of prosperous companies, it becomes evident that they are effectively utilizing, overseeing, and retaining exceptionally skilled and high-performing staff members. This phenomenon can be attributed to the rising demand and intense competition for skilled labor globally (McDonnell et al., 2017).

It is evident that human capital is the primary resource for a successful organization, as it is vital for its competitiveness and growth (Lockwood, 2006). This places human resources management at the forefront as a significant business partner (Collings et al., 2019). The significance of human resources management (HRM) and its associated activities has prompted a quest for a robust framework and a rise in the efficiency of their approaches (Collings and Mellahi, 2009).

The paper aimed to highlight the fundamental perspectives that define talent management, the motivations for implementing talent management, and the often-employed strategies as found in the relevant literature. Consequently,

readers will be provided with a concise overview of the most effective methods and their descriptions as outlined in the literature.

II. REVIEW OF LITERATURE

While there may be differing viewpoints on the exact meaning of talent management, it is widely recognized that the word originated from the research studies conducted by McKinsey on the topic of "talent war" in 2001 (Michaels et al., 2001). The book underwent subsequent development and was subsequently released in 2001 (Nilsson and Ellström, 2012). Contrary to prior claims, the concept of incorporating it into commercial human resource strategies is not new and has gained significant interest in the world of human resources management investigations. However, there is still a limited number of research on this topic (Brbach and Royle, 2010). (Capelli, 2008).

However, there is a lack of agreement over the precise definition of talent, and there are also no clear and well-defined conceptual limits for talent management (Collings and Mellahi, 2009). Nevertheless, the literature lacks a clear and precise definition of the concept, particularly regarding the decision-making process and the various options that are available (Gallardo et al., 2013). Although the concept seems to be intimately associated with other concepts such as human resource management, workforce planning, and employability (Lewis and Heckman, 2006). Upon conducting a thorough examination of the existing literature, Lewis and Heckman (2006) found three fundamental methodologies for defining talent management:

One perspective on talent management regards it as a set of functions and activities that are characteristic of human resources management (Mucha, 2004). This perspective asserts that it is aligned with the same objective as human resource management (HRM) practices such as planning, training, development, and retention (Iles et al., 2010; Schiemann, 2014). Creelman (2004) defines talent management (TM) as the systematic process of acquiring, developing, and retaining talented individuals, which aligns with the traditional concept of human resource management (HRM). According to an alternative perspective, the company is forming talent pools of workers that it labels as "exclusive individuals," who have the potential to greatly influence the performance of both the company's present and future activities (Rothwell, 2011). Businesses can locate these persons through workforce planning and development systems, which are specifically linked to employees (McCauley and Wakefield, 2006).

The third perspective claimed that talent management was intricately linked to particular roles, such as pivotal positions inside organizations or exclusive positions (Anlesinya et al., 2019). This perspective is regarded as an approach that begins by identifying crucial responsibilities for occupations that demand persons with exceptional skills and talents (Tarique and Schuler, 2010; Sparrow et al., 2014).

Talent management, as defined by Ready and Conger (2007), refers to the strategic process of effectively organizing and utilizing human resources in order to meet the needs of the organization and retain highly skilled personnel. An efficient reward system is essential for achieving that objective (Ready and Conger, 2007).

It is imperative for any organization worldwide to aim for maximizing profits while simultaneously reducing expenses (Allen, 2004). From this perspective, Talent Management (TM) can be seen as a vital tool for cost reduction in hiring new employees. It achieves this by retaining highly skilled persons and facilitating their professional growth, thereby transforming them into valuable assets for any organization (Nalbantian and Guzzo, 2009).

The primary objective of Talent Management (TM) is to strategically organize the workforce, acquire and nurture skilled workers, and retain these personnel (Rothwell, 2011).

According to Lewis and Heckman (2006), talent management has been seen from three distinct viewpoints. As per the first source, TM refers to a department in human resources management that enforces a policy of having all employees stand on the same side of the ship, without considering their individual talents (Snell, 2007). The second approach involves the creation of talent pools through the retention and advancement of highly skilled employees (Creelman, 2004). The third strategy centers on assessing the performance of individual employees and implementing evaluation methods to distinguish and retain high-performing (class A and class B) personnel while terminating underperforming (class C) employees (Rothwell, 2011).

Pillay et al. (2008) define talent management as the combination of individuals' experiences, skills, attitudes, and behavior that can be utilized to enhance organizational performance. Stevens (2008) offers a different definition, describing talent management as a corporate science that integrates strategic discipline with workforce planning,

acquisition, development, mobility, and measurement. Furthermore, talent management is widely recognized to have a direct impact on workforce planning, recruitment, human capital development, and diversity (Iles et al., 2010).

Talent management may be defined as the practice of engaging in positive actions towards top-performing individuals, such as investing in their development, unleashing their potential, and assisting them in optimizing their skills (Garrow and Hirsh, 2008).

Talent management is an integrated process that encompasses various specific procedures crucial for the success of an organization. These procedures include workforce planning, acquiring talented employees, developing and training them, and retaining them as valuable assets of the organization (Iles et al., 2011).

2.1 The Importance of Talent Management

The demand for skilled employees is rising due to the significant influence their expertise and experience have on an organization's performance. In order to remain competitive, organizations require a competitive advantage, and talented employees are recognized as a crucial asset. Furthermore, the success of an organization in terms of business outcomes directly affects its productivity and profitability.

The expenses related to recruiting and employing highly skilled employees, as well as the investment of time, money, and resources needed to develop their skills to meet the organization's requirements, will all affect the business. This need for skilled personnel arises from past failures, whether during periods of uncertainty or prosperity. The importance is also inferred from the definition of talent management, which refers to the organized process of attracting, identifying, developing, engaging, retaining, and deploying individuals with exceptional potential who contribute unique value to an organization (Krishnan and Scullion, 2017).

The impact of talent management on the entire business is substantial (Stevens, 2008). Talent management enhances organizational performance by reducing hiring costs (Boon et al., 2011); it also increases the company's productivity, profitability, and production (Collings and Mellahi, 2009). When a firm implements talent management, it creates numerous opportunities for gaining competitive advantages (Schuler et al., 2011). Furthermore, an organization's reputation within its industry is determined by its ability to attract, retain, and develop talent, making talent management a crucial factor in the success or failure of an organization (Luna-Arocas and Morley, 2015).

2.2 Techniques for managing talent

Talent management and human resources management share many similarities and employ similar techniques that contribute to a business's success (Schuler et al., 2011). In today's dynamic environment, characterized by skill shortages and employee expectations for work-life balance, organizations must effectively manage and enhance their talent (Lewis and Heckman, 2006). A company's proficiency in improving its recruitment, development, and retention strategies, policies, and programs reflects its mastery of management (Snell, 2007).

Understanding the organization's needs in terms of current skills and future talents is crucial for success. This includes workforce planning, talent retention, attracting and developing exceptional personnel. The human resources department requires strong support from top management to be highly effective and productive.

In business, it is commonly understood that an organization's employees are the main contributors to its value (Héder et al., 2018). Workforce planning emphasizes that managers need to have a clear understanding of how their HR responsibilities, such as attracting, recruiting, developing, and retaining employees, directly impact the organization's primary goals (Creelman, 2004). This understanding motivates managers to put in extra effort to fulfill their duties once they recognize the importance of their role in ensuring the overall excellence of the organization (Schweyer, 2010). Skilled workforce planning also involves anticipating future business and environmental demands in order to meet the HR requirements imposed by these situations (Creelman, 2004).

Talented workforce planning involves strategically assigning workers with specific talents to specific professions at the appropriate time, ensuring they possess the necessary practical skills to excel in these roles (Dries, 2013). This is achieved through talent management, which not only helps the organization implement its strategic workforce plan, but also allows for adjustments to the talent pool in response to changing business and organizational needs (Morgan and Jardin, 2010). Furthermore, it is considered one of the analytical, forecasting, and planning processes that are interconnected with talent management initiatives, ensuring that the organization has the right people in the right

positions at the right times to effectively execute its business strategy (Sheehan and Anderson, 2015) (Tucker et al., 2005).

2.3 Talent acquisition

Attracting and nurturing skilled individuals is a vital aspect of talent management (Pruis, 2011). Shrimali and Giwani's (2012) research highlights the importance of a company's reputation in attracting top talent. Lyria et al.'s (2017) study identifies the various factors, both financial and non-financial, that influence people's attraction to specific organizations. These variables impact individuals' decisions regarding job opportunities and their choice of organizations (Jenkins, 2009).

Factors such as work-life balance, attractive salary, and challenging tasks are important in attracting employees (Pruis, 2011). To attract talented workers, organizations should follow certain protocols, such as creating a clear strategy to recruit external talent and enhancing the skills of existing talented employees (Chuai et al., 2008; Lockwood, 2006).

Talent attraction is influenced by an organization's branding, which refers to how it is perceived in the market. This includes whether people are enthusiastic about working for the organization and whether employers can be selective in their approach to the organization's culture (Moczydowska, 2012). According to Collings and Mellahi (2009), talented workers in all industries are looking for a company that provides exciting challenges, excellent development opportunities, and meaningful work in a successful organization with exceptional leaders (Csordás, 2020). While a competitive salary is important, intelligent individuals are more attracted to the potential of meaningful work in an environment that values openness, trust, and performance rather than just a high salary (Lewis and Heckman, 2006; Dajnoki and Kun, 2016).

The quality of a company is determined by the caliber of its personnel. Adopting a strategy of having talented individuals at the lower levels ensures that talent is also present at the top. To foster their growth, it is important to understand their career aspirations, strengths and weaknesses, abilities, and preferences. This enables a better understanding of what motivates each individual, which greatly facilitates the process of enriching their work (Iles et al., 2010; Héder and Dajnoki, 2017a).

Hills (2019) predicted that there would be a ratio of five retirees to every new hire, so companies can avoid a shortage of skilled workers by nurturing and improving their existing talent pool (Héder and Dajnoki, 2017b). Talent development involves various stages, such as developing managers and subordinates and providing certifications. Since there are no universally applicable standards for all businesses, each company has its own talent development policy (Cheloha and Swain, 2005) (Lehmann, 2009). However, there are some common ideas on how to handle high-performing employees, which allows organizations to shift their hiring strategy from simply filling positions to recruiting individuals and developing them for future opportunities and needs (Gandz, 2006).

Pruis (2011) suggests that businesses should hire highly skilled and talented workers who may not be immediately needed, but who have the potential to meet future strategic needs or possess valuable skills that can give the business a competitive advantage (Lockwood and Nancy, 2006; Khilji et al., 2015). However, many businesses overlook the potential negative impact that these hires may have on the performance of other employees (Schweyer, 2010).

In addition, businesses typically hire not only professionals and skilled individuals, but also individuals who are below the expected level (Chuai et al., 2008). Furthermore, these exceptionally intelligent workers must be standardized according to the organization's norms (Pillay et al., 2008). Categorizing employees into groups based on their skill sets is a primary objective of talent management (Thomas, 2009), in order to identify highly qualified individuals and those who are underperforming (Hills, 2009). The talent management approach must be capable of determining whether action will be taken upon recognizing poor performers.

III. CONCLUSION

In recent years, there has been a growing focus on talent management. However, it is concerning that talent management is still poorly defined and lacks a solid theoretical basis. This essay is based on the latest theoretical literature, which forms the basis for our discussion. It is important to note that the field of talent management is still in its early stages, and further theoretical progress is needed.

This study has two main contributions. Firstly, it provides a clear and concise definition of talent management, taking into account different perspectives. One perspective sees talent management as part of regular HRM practices and responsibilities. However, another perspective suggests creating talent pools for specific employees who have the potential to greatly impact overall performance. The final perspective emphasizes the importance of identifying and filling critical positions with individuals who possess exceptional talent. By offering this comprehensive definition, the study aims to help practitioners and managers better understand how talent management can be defined and implemented to improve performance. Furthermore, practitioners and managers possess the capacity to select among the three primary approaches outlined in this paper, as this choice will directly impact the performance and loyalty of employees. By utilizing these strategies, managers may effectively develop and improve the company's strategy. Talent management plays a crucial role in both employee retention and performance. Therefore, managers should prioritize the implementation of structured programs to develop and educate talented employees. This will enable them to convert their inherent knowledge and skills into explicit knowledge that can be shared with the entire team. The reviewed literature largely recognizes that talent management plays a crucial role in helping companies reduce the cost of hiring new employees by retaining and developing qualified individuals through targeted training programs.

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