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Talent management: What is powering the current talent management emphasis

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Abstract

The idea that people run businesses serves as the foundation for talent management theory. Processes, technology, and capital are examples of business assets, but people are the ones that add value by utilizing these resources to produce goods and services that consumers require. It follows that an organization will function better the better people it has on it.

Keywords: Talent management, talent pool, talent retention, succession planning, employee engagement

Introduction

Businesses can no longer afford to believe that they will always have the personnel necessary to carry out their business plans. Rather, they must take the initiative and confront the fact that very few, if any, companies in the modern day have a sufficient pool of talent for positions at the top, in first- to mid-level leadership roles, or on the front lines. Because talent is becoming more and rarer, it has to be managed like any other resource.

Businesses nowadays are looking for fresh and improved ways to get a competitive edge. This means that every department's ability to raise organizational performance is being examined. Through the development and retention of high potential personnel, talent management programs give businesses the competitive HR edge and managerial talent they need, which will improve the business's success.

Talent management is not a brand-new idea. It was considered a secondary task that belonged in the personnel department in the 1960s and 1970s. This organizational role is now given much greater attention.

The numerous goals of the talent management program - attraction, recruiting, motivation, development, succession planning, retention, and engagement of human resources—are nothing new. However, they are combined to form a more complete whole that can be applied to the creation and application of strategies that reinforce one another and aid in attracting and retaining the skilled personnel the company requires.

What is powering the current talent management emphasis?

For decades, businesses have discussed the link between outstanding workers and increased organizational performance. Then why is talent management receiving so much attention now?

This attention is being driven by multiple factors.

1. There is proof that superior talent and improved performance are related.

Over the past few years, there has been a notable push to measure the expected returns on personnel investments made by organizations. The outcome is a collection of "proof" that presents a strong case for the influence that talent can have on organizational performance. Researchers have discovered that, in comparison to their rivals, organizations with more robust leader-level talent management systems see higher returns on equity and earnings.

Research indicates that plants that have an efficient talent system in six key areas—training, leadership development, recruiting/hiring, teaming, performance management, and safety / health—achieve better results in terms of employee retention, margin, return on invested capital, and operating efficiency at lower organizational levels.

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2. The pool of talent available to create value is growing quickly.

More and more, the caliber of talent affects a company's financial worth. In fact, according to a Brookings Institution research from 1982, an average company's physical assets accounted for 62% of its worth, while intangible assets (people, brands, intellectual property, and patents) made up only 38%. By 2003, the proportions had almost reversed, with 20% going to tangible assets and 80% going to intangible assets.

3. The environment in which we conduct business is increasingly dynamic and complex

It is harder than ever to maintain a competitive advantage over the long run in the context of hyper competition. New business concepts and products have shorter life cycles, necessitating ongoing innovation. More information is now available to us thanks to technology, which is also pushing us to operate "at the speed of business." These difficulties are exacerbated by the growing trend of international organization expansion.

4. The financial markets and boards anticipate more

CEOs are "the world's most prominent temporary workers," according to a recent article in *Strategy + Business* magazine (Lucier, Schuyt, & Tse, 2005) ^[3]. Over the last five years, there has been a 300% increase in CEO turnover with no end in sight (Karlsson, Neilson, & Webster, 2008) ^[2]. Senior leaders are being scrutinized by boards and investors, who want them to generate value. An increasing emphasis is being placed on the quality of talent, not just at the C level but at all levels as a result of this pressure, which may be most noticeable at the CEO level but is typically felt up and down the organization chart.

5. Expectations among employees are also evolving.

The evolving expectations of employees also compel firms to prioritize personnel management methods and procedures. Today's workforce is:

- More interested in meaningful and challenging work;
- More devoted to their profession than to their employer;
- Less tolerant of traditional hierarchies and power structures;
- More focused on work-life balance;
- Ready to take charge of their own professional life and development.

Getting to the "minds" and "hearts" of today's workforce is always challenging given their plethora of issues. The cultures we create are essential to drawing in and keeping top talent.

6. The makeup of the Workforce is changing

The "talent war" has been extensively documented, and many western nations are actually seeing demographic shifts. For instance, over the next five years, it is anticipated that there will be a rise in management jobs in North America from approximately 21 million to 24 million, while the population of people in their 30s to 50s - those most likely to be reaching a point in their careers where they can assume leadership roles - will fall from 63 million to approximately 60 million.

There are several reasons why the idea of talent management is becoming more popular. HR specialists believe that they ought to be doing more to help their company's human resources grow in the future.

It is believed that talent management does this. Positive things are what talent management is all about: investing in your finest employees, growing them, and helping them reach their full potential. This way, you can help them maximize their strengths and strengthen their weaknesses. According to modern perceptions of what HR practitioners should be doing, the phrase "talent management" can also refer to fulfilling the requirements of the individual as well as those of the organization.

Any talent management program's ultimate goal is to create and preserve a talent pool of qualified, enthusiastic, and dedicated individuals.

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Conclusion