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## Talent Management: Key to Organisation's Success

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### **Abstract**

Every organisation aims to be future fit and makes investments in various strategic areas which also includes Talent Management. There is always a tussle for grabbing the right talent in the talent-hungry environment. So there is always some pressure on the organization attract, evaluate, develop and retain talented workforce. Talent management is indispensable for survival and sustainable development of any organization. Talent management involves identifying the potential talents and preparing them for possible future roles in the Organisation. In the battle of talents, organizations should use Talent Management as a Strategic weapon, if talent has to be won in this battle.

Managing and developing talent requires relentless efforts and willpower on the part of top management. Considering the business landscape, business strategy, organization's communication channels organization's culture and values, resources availability and allocation, each organization adopts any established talent management model or even can develop its own talent management model. However, the focus must be to build a talent model that is unique to that organization that meet all compliances of its business operations. Ideally any talent management model should manage organization's internal and external talent pool and address workforce related issues.

In this paper, authors have reviewed the various models proposed by well-known consulting, business and academic organisations across the globe. These prove that, the organisations which are committed to Talent management have competitive advantage over their peers.

**Key words:** Talent, Talent Management, competitive advantage, integrative approach, organizational performance, talent strategy

### **Introduction:**

Talent management is indispensable for survival and sustainable development of any organization. Talent is probably the most precious resources of any organization. Today's Human Resources departments cannot afford to ignore the talent management in the highly competitive and dynamic business scenario. There is always a tussle for grabbing the right talent in the talent-hungry environment. So there is always some pressure on the organization attract, evaluate, develop and retain talented workforce, especially when there is a problem of talent shortage. Highly competitive and committed employees can take the organizations to the new heights as well as create competitive advantage. It can also help the organizations to build sustainable growth. Attracting a right talent and also retaining them in a corporate is a greatest challenge. Therefore talent management is a great and complex task for managers. In the battle of talents, organizations should use Talent Management as a Strategic weapon, if talent has to be won in this battle.

### **Preamble to Talent and Talent Management:**

Even today, talent management is considered to be one of the most challenging task for all the organizations. No wonder there is continuous search of innovative ways to manage the talent. As a result, new theories, models and frameworks for the talent management are evolving and some traditional and classical models are challenged, modified to meet the requirements of the current business scenario. One can find many definitions of talent and talent management. That changes or even broadens the scope of the talent management. In fact, many organizations define 'talent' from their own perspective and their organizational culture as specific definitions of "talent management" have not been provided by the researchers in this domain. As a result, scope for the conceptualization of talent management lacks any formal definitions and conceptual frameworks.

Davies & Davies (2010) opine that "talent management is a systematic attraction, identification, development, engagement, retention and deployment of those individuals with

high potential, who are of particular value to an organization”. Another definition of talent, by Glenn (2012) is “a combination of a sharp strategic mind, leadership ability, emotional maturity, communication skills, ability to attract and inspire other talented people, entrepreneurial instincts, functional skills and the ability to deliver results”.

According to Merriam-Webster dictionary, talent is “a special often athletic, creative, or artistic aptitude or ability”. Well known consulting firm McKinsey, considers talent as “a sum of person’s abilities, intrinsic gifts, skills, knowledge, experience, intelligence, judgment, attitude, character, drive, as well as that individual’s ability to learn and grow”.

Talent management caught the attention of researchers and practitioners after publication of McKinsey’s research in 1998. In fact, a fancy contemporary term ‘War of Talent’ coined by McKinsey, made many researchers and business leaders rethink the true meaning of talent and scope of the talent management.

According to Collings and Mellahi (2009), “Talent management is a systematic identification of key positions, the development of talent pool of high potential and high performing incumbents and the development of a differentiated Human Resources architecture”. Later on Thunnisen et al. (2013), define talent management “as a process that consists of a complete and related set of organizational procedures such as identifying, selecting, developing and retaining the outstanding employees and improving their abilities and potential for the important strategic positions”. While Keller and Cappelli (2014) further extend the scope of talent management by opining that “talent management is a process through which employers anticipate and meet their need for human capital. It is about getting the right people, with the right skills into the right jobs at the right time”. As quoted by Taie (2015), talent management “focuses on positioning the right person in the right place, encouraging employees to develop their qualifications and talent which, in return, serves to enrich and sustain the success of the organization”.

In general, many researchers’ studies have highlighted the significant relationship and positive impact of talent management on the organizational performance. In the simple terms and organizational context, talent is an ability of the workforce which can creates difference

to the organisational performance, both in a short and long run. Talent is also perceived as a special, yet natural ability/ aptitude essential for the success. Therefore, often some organisations use Talent Management (TM) interchangeably with Human Resources Management. The process of TM begins with manpower planning and ends with the exit management. However, many organizations treat Talent Management as more strategic and specialized function of human resource management. There is a deliberate intention and serious approach to attract, develop and retain the organizational talent.

In the organizational context, talent is referred as “the workforce with the aptitude and abilities that can meet the present and future needs of the organization”. It has a full scope to attract, develop, motivate and retain high-performing employees. In a way TM is a set of HR processes integrated with each other. Yet managing talent is much bigger and broader in scope than the sum of all key HR activities. Hence many organizations use talent management as ‘a strategy to capitalize the organization’s competitive advantage’. Obviously, Talent Management aims at improving the performance of the organization through raising the individual employee’s performance. Hence it has to include in the scope about motivating, engaging and retaining the right kind of employees so as to improve their performance. It has been observed that “Organizations can build a sustainable competitive advantage and outperform their competition through an integrated system of talent management practices”. In other words, Talent Management is a process aimed at enhancing organizational performance through integrated HR practices.

Talent Management can also be perceived as an ecosystem of any organization where different people work together to bring the significant change in the organizational performance. Organizations treating the talent as a holistic, end-to-end way to connect the dots across the talent pools can expect maximum returns on investment in attracting and retaining the right talent. Rather organisations that fail to retain their top talent may lose their competitive advantage and are at the risk of losing it out to their competitors.

### **Talent Management as a Strategic Tool to get Competitive Advantage:**

Talent Management is a very complex and critical task in today's dynamic, fast-moving global business landscape. And, if organizations have to survive and outperform, they should have talented workforce who make things happen. Innovative talent management approach is must to develop and retain such people. Performance of organization largely depends on the quality of workforce, therefore organizations must focus on the journey of the individuals right from when they enter the organization and observing how they move up across or out of the organization. In this competitive environment retention of talented workforce is a major task for HR managers. Talented staff can give a competitive advantage. Hence the talent management system should be developed as a part of the business strategy and implemented at all levels of the organization. Knowing the potential of talent management to become a strategic tool, many organizations are exploring various ways to manage their talent. To stand out in the competition, they should explore some unique and innovative acquisition and retention methods which are not used by their competitors. Innovative talent management approaches not only give a competitive advantage to the organizations, but it is a need of the hour or a competitive necessity.

Today's changing and complex business landscape expects HR to act more strategically to develop significant employee engagement practices as research has proved that higher employee engagement leads to better organizational performance. McKinsey coined the term 'War of Talent' in year 2000 and highlighted the important role of efficient talent management in raising the organizational performance. The organizations who realize this association, certainly use talent management as a tool to give unique competitive advantage.

### **Overview of Talent Management Models:**

Talent management framework is a carefully designed system that is used to recruit, train, and retain the best people in the organization. Generally in order to capture the unique needs of the organization's workforce and implement strategies and retain the top talents, every organization can customised the talent management model. Talent management involves a series of processes which are arranged systematically for a smooth execution. These

processes complement each other and results into certain talent management framework or a model.

Considering the business landscape, business strategy, organization's communication channels, organization's culture and values, resources availability and allocation, each organization can develop its own talent management model. However, they must focus on developing a talent model which is unique and meets all compliances of their business operations. Ideally any talent management model should manage organization's internal and external talent pool and address workforce related issues. However, it is quite challenging to develop most suitable tailor made talent management model. Having a predictive model to manage the talent in your organization is the essence of using any of the talent management frameworks developed by various reputed organizations and consulting firms such as Toyota, McKinsey. These frameworks have brought together the best of HR strategies and processes to manage and develop the talent.

Although there are different talent management models, all of them are based on five basic functions such as manpower planning, attracting the right talent, developing the workforce, retaining the talent and transitioning. Many existing talent management models are getting outdated as they fail to handle ever changing dynamic business scenario. Traditional models stress on key HR responsibilities but they operate in isolation and often lacks in associating with other organizational processes. Hence, many organizations today are opting for more flexible, technology based integrative frameworks for the talent management. They look at modern HR function as an integrated system with the systematic approach and effective talent development and integrated models of talent management are proven to be more effective.

“When organizations adapt TM, they focus on two significant factors i.e. performance and growth. In-order to achieve these aspects, the organizations or companies assesses the talent of an individual while recruiting or post-recruiting and map them into either as group (individuals of different talents) or as a team (individuals of similar talents), as per the necessity of the organizational need”, as opined by Moczydlowska (2012).

However, Niedźwiecka (2016) summarized that “the organizational impact upon the individuals’ talent is quite competitive and complex to cope-up with the global market. Hence fine-tuning or training the individuals with appropriate knowledge as per the organization’s or client’s need would be a great challenge. Once the organizational and talent mapping is done effectively, the strategies are formulated based-upon the need and upon the individual’s or group’s talent”.

Many consulting organisations have proposed various models to define talent strategy to various companies. In this study, authors have tried to analyse the key messages from the models (These models are included in the Annexure). When it comes to the comparison between the traditional and new talent management model, main difference is lack of integrative approach and flexibility in adopting the dynamic changes in business environment. Focus of traditional models was mainly on routine HR functions such as manpower planning, recruitment and selection, learning and development, compensation and performance management. HR functions were performed mostly in silos. These models mainly lacked holistic approach towards talent management. Hence many traditional talent management models have fallen short to sustain in the uncertain, complex and ambiguous business environment. In addition, these models were not that perfect in bringing expected business results. As a result there is always need for modifying or replacing the old or traditional models with contemporary talent management models. Contemporary models are expected to use integrated approach and technology seamlessly to address all issues in the talent management. Authors have collected information about various talent management models used by various organisations, tried to identify the common areas among all models. All the models are well referred and executed by world renowned organisations. The source of the data has been from the published work by business and consulting organisations besides the published literature by researchers in reputed journals.

### **Results:**

Talent management process is a more holistic process integrating various verticals of Human Resources function in the organisation. The below grid proves that, almost all models studied

have development element as common factor in it followed by employer branding to recruit right talents. Right employer branding helps organisations to attract the best talents from the industry. Right branding acts as a competitive advantage to the organisations.

Sl No	Company / Consulting Organisation / Model	Attract	Recruit	Onboard	Comp & Ben	Develop	Engage	Reward & Recognize	Retain
1	Toyota	Y	Y	Y		Y	Y	Y	Y
2	5-C	Y	Y		Y	Y	Y		Y
3	McKinsey		Y	Y		Y	Y	Y	
4	PWC	Y	Y	Y		Y		Y	
5	KPMG 5 C				Y	Y	Y	Y	
6	Korn Ferry					Y	Y		
7	BCG					Y		Y	
8	BCG 2	Y	Y		Y	Y	Y	Y	Y
9	Bersin by Deloitte	Y	Y	Y	Y	Y	Y	Y	Y
10	MIT Sloan	Y	Y		Y	Y		Y	Y
11	DDI		Y			Y			

Table 1: Comparison of various Talent Management models

The above table 1 proves that, talent management is a strategic tool to attract and retain the right talent; helps them in grooming for possible higher responsibilities in future as part of succession planning. Thus, it enables the organisation to retain right talents in the organisation.

### Discussion

From the above data and study of the models is apparent that, the talent management simply doesn't stop with formulating the talent mapping diagrams or charting up the talent management charts. It further steps up into another step by adapting tactics or strategies into the organizational framework and chooses the effective strategies as per the necessity. This was quoted by Moore (2013). However, the talent management strategies could be of various and different kinds; choosing the appropriate strategies and implementing them to yield profit would be the utmost step. Talent management has been adapting the strategies of grouping



similar talents and similar experiences as well as grouping different talented people. Hence choosing the right strategy and adopting it as per organization's specific needs would be an effective measure. The talent management model developed by Toyota has been considered as a classical model followed by many companies it increases their profitability and employee management skills at large. As per Toyota, "people" are the sole target, may it be an employee or a staff in the management, the company recognizes their issues and solves them with rigor care. Toyota, a leading company follows the 4P's (Process, Problem Solving, People and Philosophy) towards attaining excellence (Liker and Meier, 2007)

### **Limitations:**

The study is being collected from published literature, brochures, white papers published by various researchers, organisational practices. There are inherent limitation of application and effectiveness of these models. It is recommended to select the organisations which have implemented these models and check the suitability to the organizational needs.

### **Conclusion:**

If the organizations really have to make the most of their investment in recruiting and retaining the right talent, they should use talent management as an integrative approach and make it top priority. The systematic and comprehensive approach to recruit, develop, reward and retain the right talent makes the talent management strategy works well for any organization. Managing and developing talent requires relentless efforts and willpower. Especially human resources or talent management authorities at top level have to be vigilant enough to proceed according to the talent management model opted by the organization and assess its effectiveness together. Any model opted has to be in compliance with the organizational goals. Hence there is a need to align HR strategies that address the critical roles, responsibilities and finally plan of action. It is imperative that these models should be accessed regularly to check their flexibility and utility and opted model should be ideally dynamic enough to withstand in the changing business scenario.

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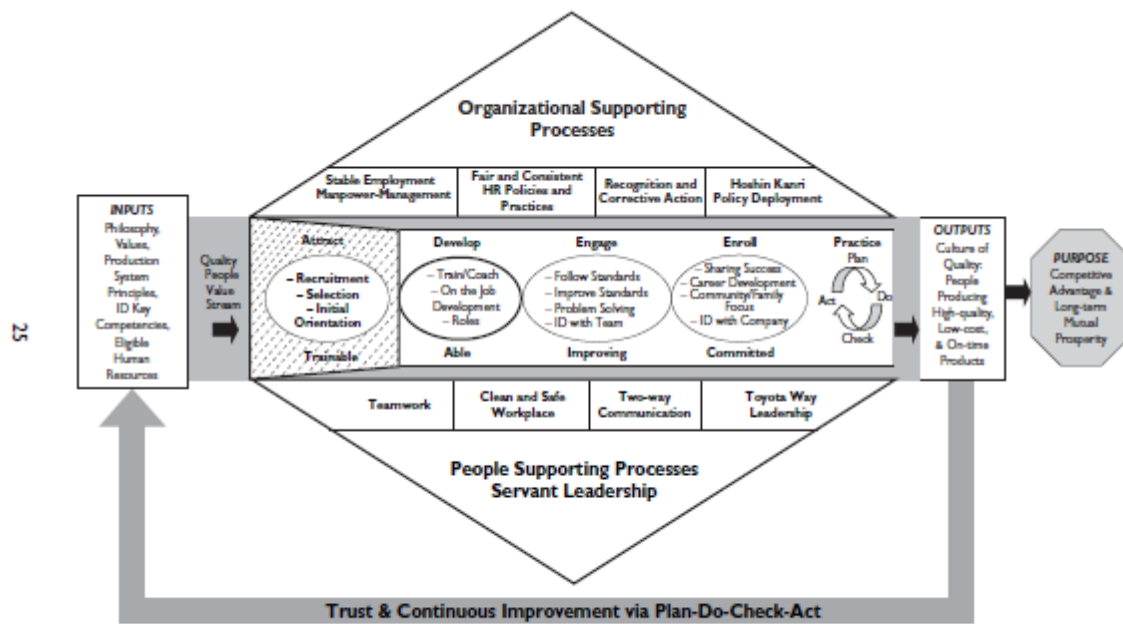
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**Annexure**

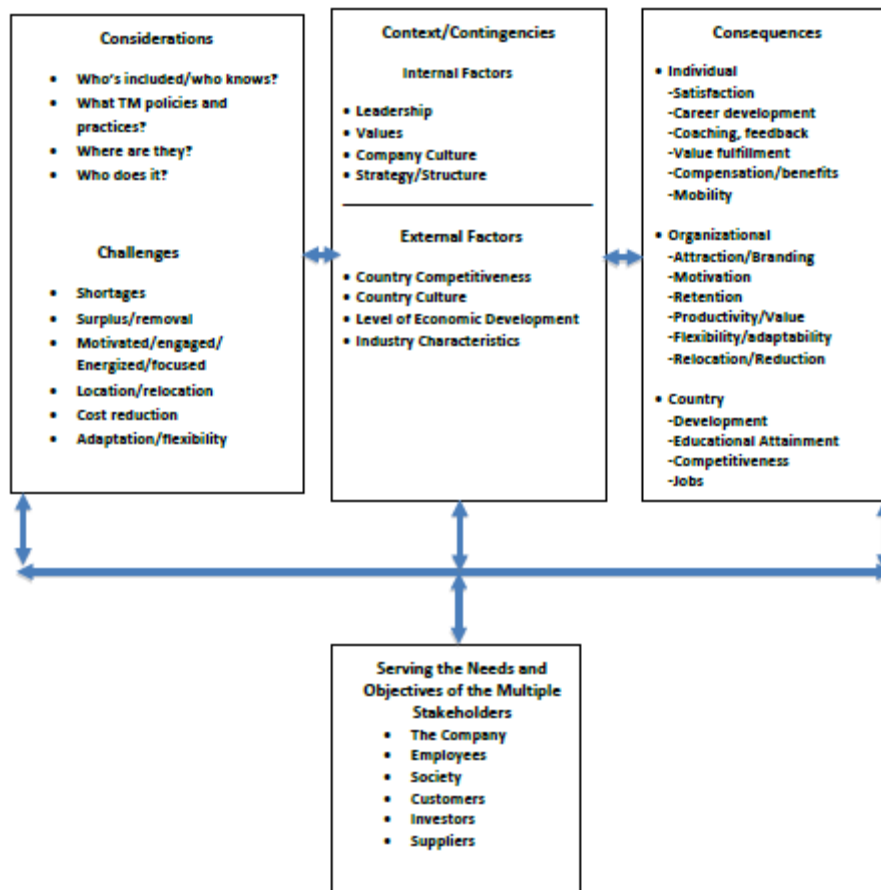
Toyota Model



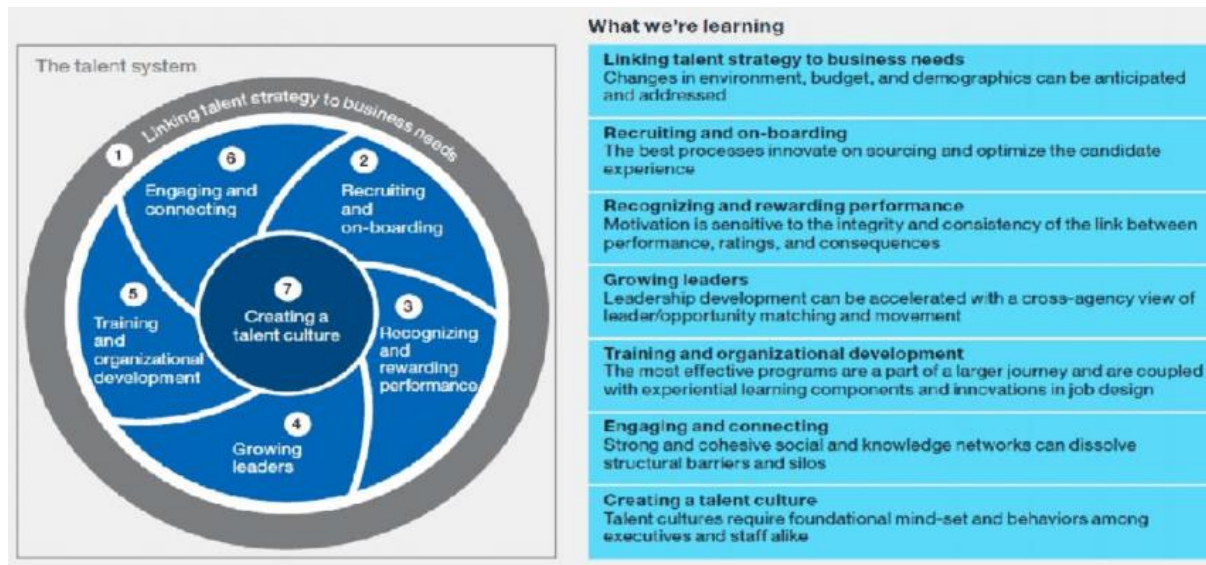
**Figure 2-2.** Building culture and people the Toyota Way: Toyota's Human System lean management model

Source: Toyota Talent, J EFFREY K. L IKER DAVID P. MEIER McGraw-Hill, 2007, Page 25

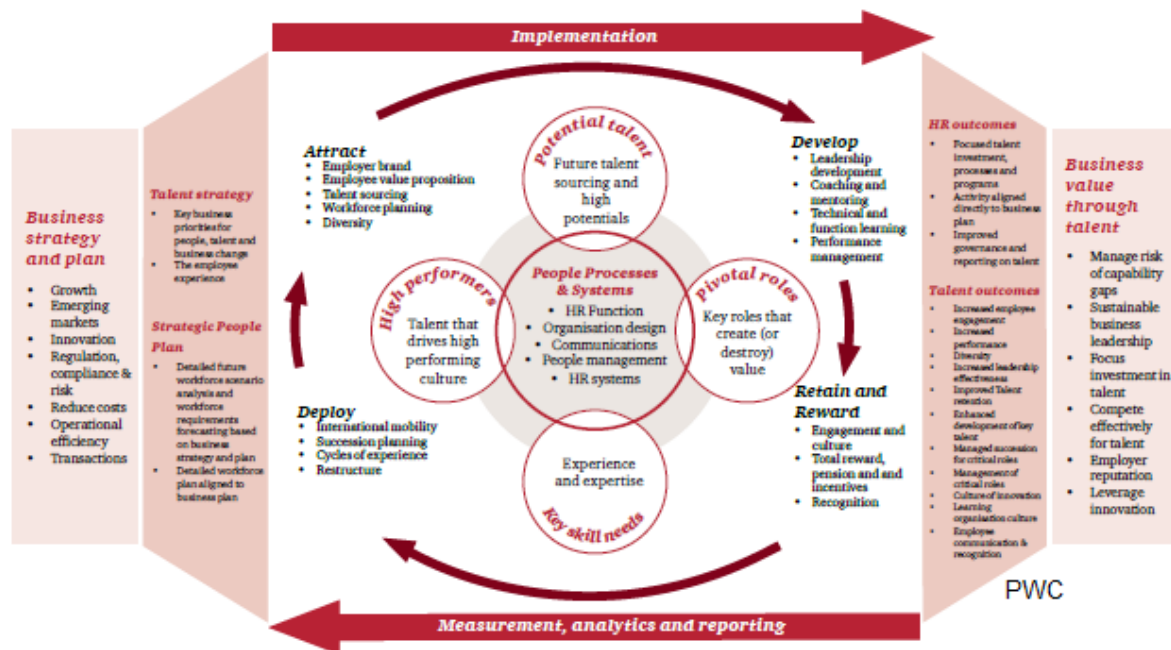
**The 5-C Model of Managing Talent: Choices in  
 Considerations, Challenges, Context/Contingencies, Consequences**



Source: <https://peoplexpert.ch/website/wp-content/uploads/5C-Framework-Talentmanagement1.pdf>, 4 Jul 2021, 1550 hours



Source: [https://www.researchgate.net/figure/McKinsey-observations-on-traits-of-effective-talent-systems\\_fig1\\_301904039](https://www.researchgate.net/figure/McKinsey-observations-on-traits-of-effective-talent-systems_fig1_301904039), 4 July 2021 1549 hours



Source: <https://www.pwc.com/gx/en/hr-management-services/assets/pwc-strategic-talent-management.pdf>, 4<sup>th</sup> July 2021, 1547 hours

## HR is central to helping people across an organization adapt to new roles.

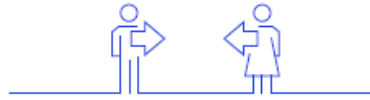
### Communicating change in a remote workplace

McKinsey Company



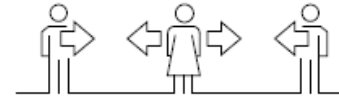
#### Individual contributors

- Understanding of and comfort in using virtual meeting platforms (eg, Zoom)
- Adaptation to role-specific components of virtual work (eg, a sales rep used to in-person visits to clients learns how to use other avenues to communicate)
- Establishment of comfortable working environments (eg, setting up personal preferences for work hours, creating physical environment comfortable to work in)



#### Managers

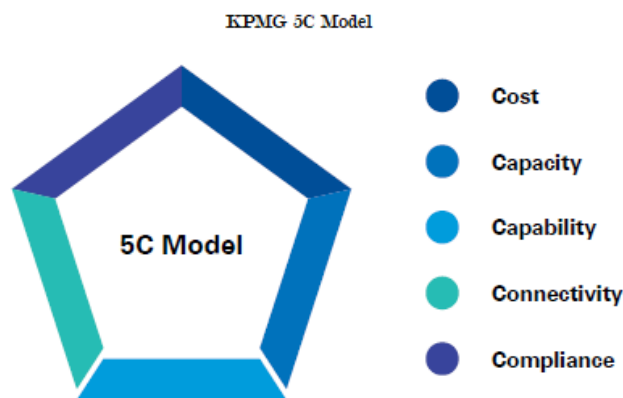
- Effective leadership of virtual teams through various platforms in lieu of in-person meetings
- Strong 2-way communication skills—clear communication to teams and clear channels for teams to communicate with managers
- Flexibility and willingness to adapt to team-member needs in context of virtual work
- Role modeling of new norms and policies of new working environments



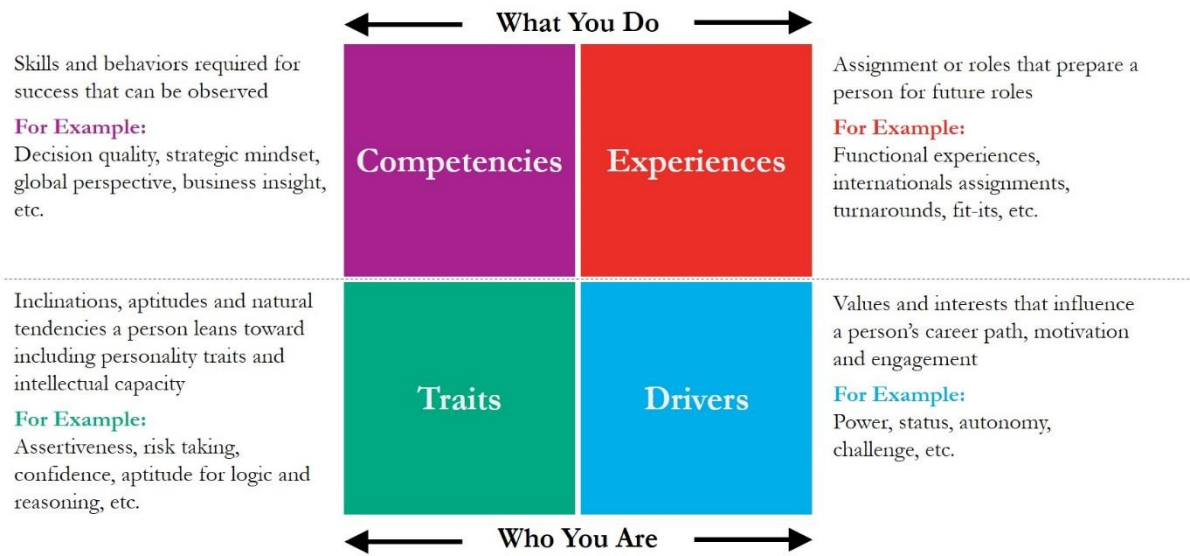
#### Senior executives

- Clear communication with remote and in-person colleagues on changes in working models
- Promotion of cohesion and unified culture, even while workforces may have in-person and remote components
- Facilitation of regular virtual gatherings and town halls to recognize individual and team contributions

Source: <https://www.publicsectorpeople.com.au/blog/2020/09/the-power-of-human-resources-now-and-post-pandemic>, 4 July 2021, 1546 hours

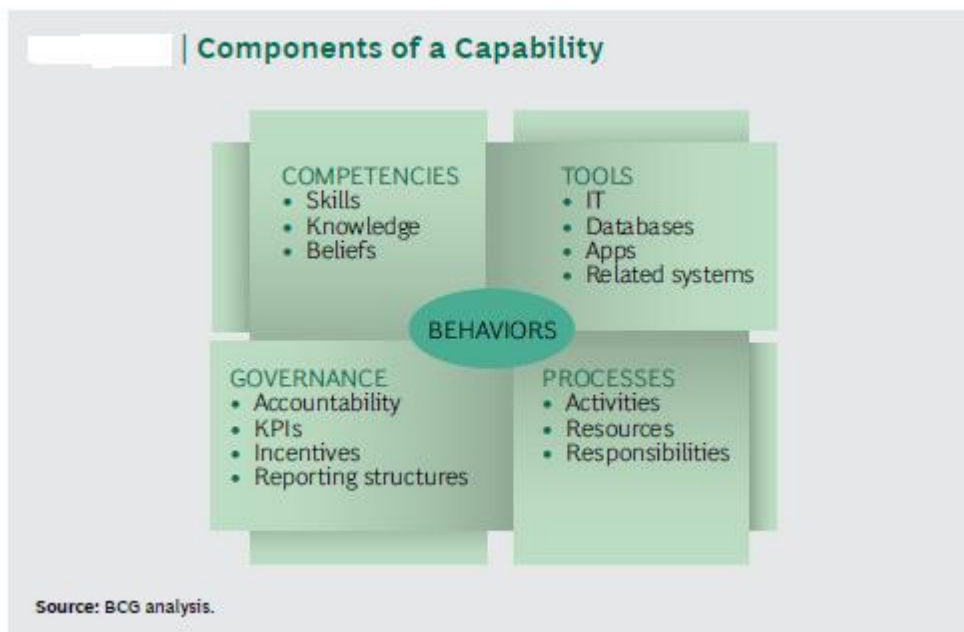


Source: <https://assets.kpmg/content/dam/kpmg/xx/pdf/2016/09/gbs-pov-talent.pdf>, 4 July 2021 1545 hours



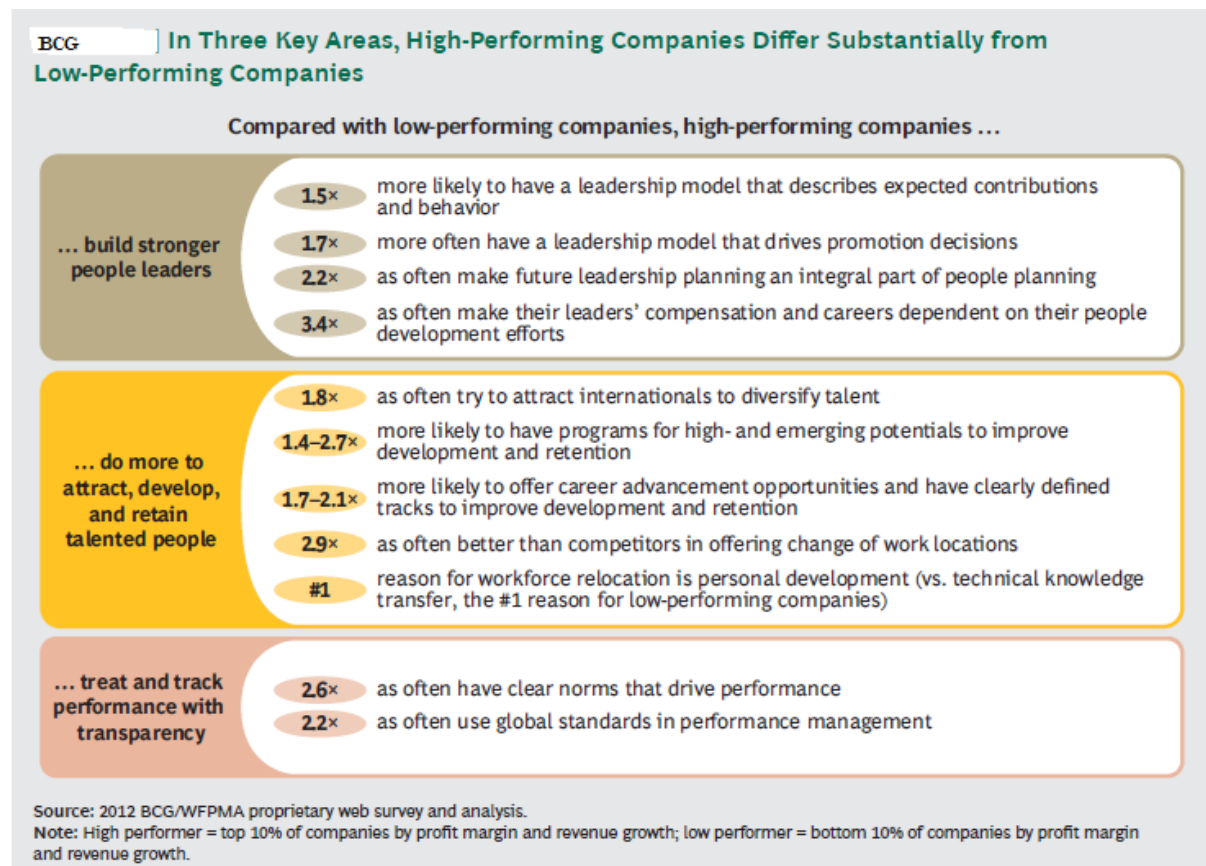
*Source: Korn Ferry Four Dimensions of Leadership and Talent, 2014*

Source: <https://bettsolutions.com/leadership-architect/>, 4 July 2021, 1544 hours



Source: <https://media-publications.bcg.com/transformation-ebook/BCG-Transformation-Nov-2016.pdf>, 4 July 2021, 1540 hours





**Source:**

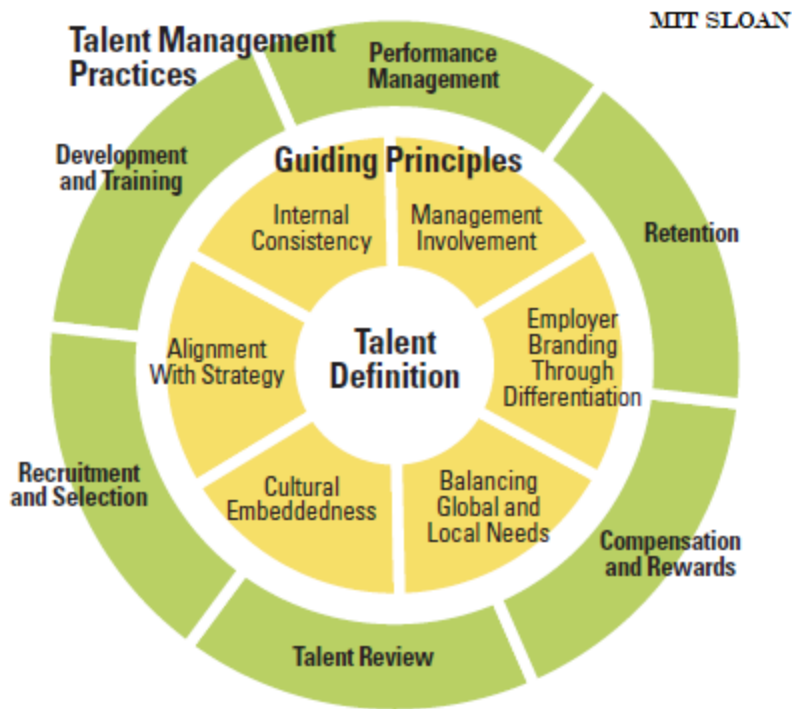
[https://imagesrc.bcg.com/Images/BCG\\_From\\_Capability\\_to\\_Profitability\\_Jul\\_2012\\_tcm9-103684.pdf](https://imagesrc.bcg.com/Images/BCG_From_Capability_to_Profitability_Jul_2012_tcm9-103684.pdf), 4<sup>th</sup> July 2021, 1537 hours



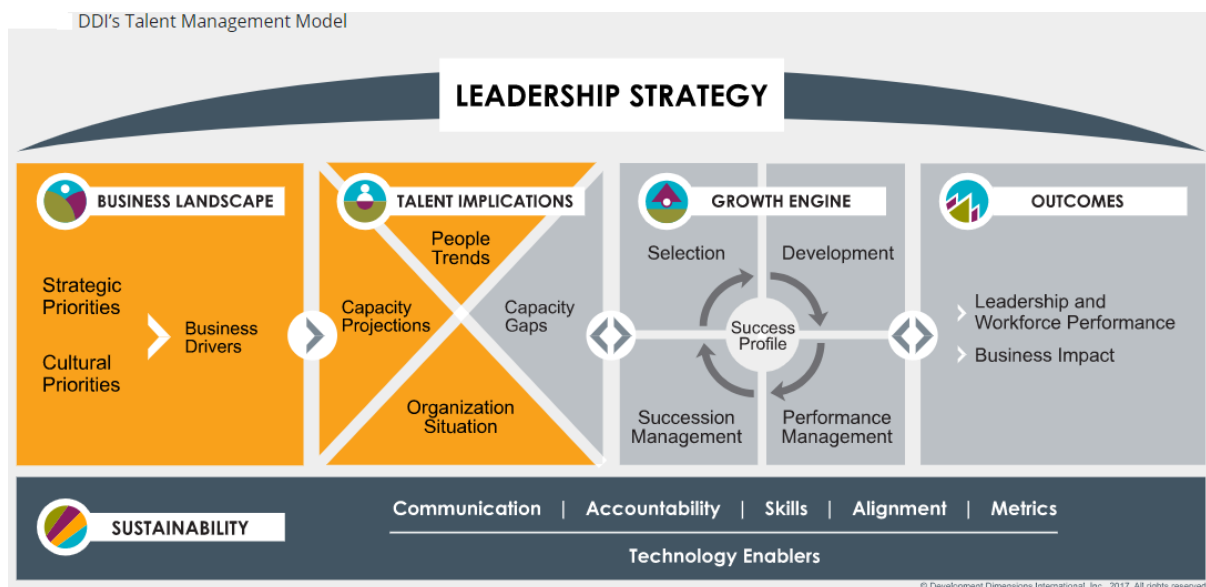
Source: <https://www.successdart.com/talent-management-strategy-and-its-implications-on-an-increasingly-competitive-workplace/>, 4<sup>th</sup> July 2021, 1530 hours

### THE TALENT MANAGEMENT WHEEL

The Talent Management Wheel divides the important elements of talent management into two: talent management *practices* (shown in the outer ring) and *guiding principles* (the inner ring). The six guiding principles apply equally to each of the individual talent management practices.



Source: <https://twitter.com/mitsmr/status/640873921995218944>, 4<sup>th</sup> July 2021, 1519 hours



Source: <https://www.ddiworld.com/article/talent-management-best-practices>, 4<sup>th</sup> July 2021, 1516 hours