



Talent Management Overview

Organizations are now increasingly aware that they must have high end talent in order to drive their businesses in a highly competitive and complex global economy. Organizations are also aware that they must manage talent as a critical resource to attain the best outcome for their business strategies. Very few businesses, if any at all, can say they have an adequate supply of talent. There are gaps existing at all levels of an organizational chain.

It is our job to find such critical talent with the ability to directly impact an organizations bottom line and it is the duty of the organization to manage and retain such.

Talent management can be defined as a critical process which ensures an organization has the quantity and quality of people in place to meet their current and future business priorities. The process covers all key aspects of an employee's "work cycle:" selection, development, succession and performance management.

Talent management has evolved immensely from 1970s and 1980s when it was called the Personnel Department. Its role then was to hire people, pay them, and ensure they had all the necessary benefits. This also evolved and in the 1980s and 1990s organizations realized that the HR function was in fact more important - and the concepts of "Strategic HR" emerged. This grew to a larger function and involved: recruiting the right people, training them, helping the business design job roles and organization structures (organization design), develop "total compensation" packages which include benefits, stock options and bonuses, and serving as a central point of communication for employee health and happiness.

The Talent Management Process

Organizations are made up of people: people creating value through proven business processes, innovation, customer service, sales, and many other important activities. As an organization strives to meet its business goals, it must make sure that it has a continuous and integrated process for recruiting, training, managing, supporting, and compensating these people. The following shows the processes involved:

1. Workforce Planning:

Integrated with the business plan, this process establishes workforce plans, hiring plans, compensation budgets, and hiring targets for the year.

2. Recruiting:

Through an integrated process of recruiting, assessment, evaluation, and hiring the business brings people into the organization through this process.

3. On-boarding:

The organization must train and enable employees to become productive and integrated into the company more quickly.

4. Performance Management:

By using the business plan, the organization uses tools and processes to measure and manage employees. This is a complex process in itself, which we described in detail in our piece on Performance Appraisal (<http://energitalent.com/documents.asp>).

5. Training and Performance Support:

This is a critically important function. Here learning and development programs are provided to all levels of the organization. This function itself is evolving into a continuous support function.

6. Succession Planning:

As the organization evolves and changes, there is a continuous need to move people into new positions. Succession planning, a very important function, enables managers and individuals to identify the right candidates for a position. This function also must be aligned with the business plan to understand and meet requirements for key positions 3-5 years out. While this is often a process reserved for managers and executives, it is more commonly applied across the organization.

7. Compensation and Benefits:

Clearly this is an integral part of people management. Here organizations try to tie the compensation plan directly to performance management so that compensation, incentives, and benefits align with business goals and business execution.

8. Critical Skills Gap Analysis:

This is an important process, often overlooked function in many industries and organizations. While often done on a project basis, it can be "business-critical." For example, today industries like the Federal Government, Utilities, Telecommunications, and Energy are facing large populations which are retiring. How do you identify the roles, individuals, and competencies which are leaving? What should you do to fill these gaps? This can be termed as "critical talent management" and can usually be carried out alongside succession planning.

Key notes on developing and implementing a Talent Management Strategy

Talent Management should be seen as forward-looking function. It should not only improve your organization's performance and flexibility, it should give you the information and tools to plan for growth, change, acquisitions, and critical new product and service initiatives.

A few critical issues identified are:

1. Talent management must be tied in with the business strategy of the organization. Effective talent management requires that your business goals and strategies drive the quality and quantity of the talent need.
2. Talent managers need to be more actively involved in discussions on business and leadership strategies.
3. Talent Management requires integration and communication between existing HR-L&D functions. The L&D function must align closely with the performance management and recruitment process. New hires should be given trainings which complement and reinforce their competencies.
4. Competency management, a misunderstood and difficult part of training and HR, has become critical. The job descriptions, roles, and competencies used for performance management are shared by L&D, recruiting, and succession planning. A simple best-practice is for an organization to have a small set of consistent, easy-to-understand competencies which can be applied across the organization.
5. Software solutions: Despite claims, there is no complete talent management software solution yet. Software vendors each offer different elements of this solution. To solve urgent problems, most companies today buy standalone systems: learning management systems, performance management systems, recruiting and standalone compensation systems. As the market matures and companies press harder for integration, it is highly likely that software vendors will create more integrated solutions.



Questions every talent manager should ask

- How can we make our recruiting process more efficient and effective by using "competency based" recruiting instead of sorting through resumes, one at a time?
- How can we better develop managers and leaders to reinforce culture, instill values, and create a sustainable "leadership pipeline?"
- How do we quickly identify competency gaps so we can deliver training, e-learning, or development programs to fill these gaps? How can we use these gaps to hire just the right people?
- How do we manage people in a consistent and measurable way so that everyone is aligned, held accountable, and paid fairly?
- How do we identify high performers and successors to key positions throughout the organization to make sure we have a highly flexible, responsive organization?
- How do we provide learning that is relevant, flexible, convenient, and timely?

Conclusion

Talent Management is a powerful and important trend. It changes the way businesses are organized, how technology is used, how resources are allocated, and how organizations measure what they do. If you are a training manager, director, or CLO, talent management will impact your role. You may be asked to integrate your learning programs with the company's performance management initiative.

These new, more challenging problems will require new processes and systems. This requires more cohesiveness between the different HR functions and direct integration into business management processes. Today's organizations are beginning to buy, build, and stitch together performance management systems, succession planning systems, and competency management systems. This leads to an organization whose HR function has become integrated with the business in real-time.

The first step to all this will be having the right talent to manage, we at ETR can help you identify and attract the right skill set and experience needed to optimize your business functions. Reach us for a better discussion:

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