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Motivation as a Tool of Retaining Talent Pools: An Empirical Study

Rasmita Behera

Research Scholar, Department of Business Administration,
Sambalpur University, Sambalpur, Odisha, India

Abstract:

Talent Management is a new concept of this 21st century. The impact of talent management on organizational performance and its productivity is become a challenge when the employees are treated as the real assets of the organization. The purpose of this paper is to eradicate the influence of organizational behavior for attracting and retaining talent pools in the organization which gives rise to increase the overall productivity by focusing various OB models. The finding of the study illustrates organizational behavior has positive impact on the organizational profitability and the overall development as human resources are the actual assets of the organization.

Keywords: Talent Management, productivity, assets, profitability

1. Introduction

In today's dynamic environment, organizations must invest continuously on their own human resources and the elites are managed properly as organization valuable resources. Talent management is regarded as a tool for improvement of recruitment process and employee's development to achieve skills and capabilities currently required in the organization (Bhatnagar 2007:643). The process of talent management views and identifies and trains what is required at present as well as in future (Chartered Institute of Personnel and Development (CIPD) 2006) and removes systematically the gap between existing human capital and leadership capabilities and talents to response to future challenges in the organization (Wellins et al 2006).

In general Talent Management refers to the managing of human ability, competency and power of employees within an organization. Talent Management within the organization is not limited to attracting the best and efficient people to the industry but also it is a continuous process which involves sourcing, hiring, developing, retaining and promoting them while meeting the organization's requirements. It is the human resource who takes the organization to the next level. To achieve success and long term survival in business, the most important thing is to identify the best talent. Attracting them to work and strategically fitting in the right place is the next step, which is possible on the basis of the qualifications, knowledge, skills, abilities and competency of that person. Placing of a person into a wrong place not only destroys the organizational objectives but also kills the interest, skills and competency of the concerned person. The process of talent management is incomplete if the organization is unable to fit the right person at the right place.

Key areas why organisations should focus on talent management are:

- To enhance the recruiting process more efficient and effective by using 'competency based' recruiting instead of sorting through resumes, one at a time.
- To manage people in a consistent and measurable way so that everyone is aligned, become accountable and paid fairly.
- To build employee engagement and productivity in the long run.
- To quickly identify competency gaps so that training, e-learning or development programs can be delivered to fill these gaps.
- To enhance the organisational goals in a dynamic way.

1.1. Talent Management from a Global Perspective

Managing talent is a challenge to all organizations in the context of globalization irrespective of all the countries. Moreover, there is a scarcity of talent in all over the world. Organizations around the world are competing for the same pool of talents. Therefore, organizations have to adopt global best practices of talent management and at the same time adopt the local requirements and local labour market. The organizations that are very successful in worldwide tend to maintain local recruitment strategies as well as utilizing their human resources in a very effective manner.

Organizations face numerous challenges in the 21st century. The most important and often the costliest part of companies are its own employees. In order to succeed in the maximization of this resource and the subsequent cost and organizational benefits is the main focus of Human Resource Management (HRM) which is now in place, in many successful companies. The evolution and the development of HRM is an ongoing process, which gives rise to the organizational effectiveness, efficiency and productivity.

As organizations are operating in a competitive way with having numerous challenges, the role of managers as well as the other staff is essential to maintaining and progressing the company's aim. Even if individuals within companies are crucial for the success of the company and at the same time they are also concerned about their own development. The need to identify, develop, succession plan, improve recruitment and retention of such individuals is the main aim of talent management. Talent management has developed significantly in recent decades. The role, value, models and application of talent management has been subject to much debate, research and development.

2. Concept of Talent Management

Talent Management, as the name itself suggests is managing the ability, competency and power of employees within an organization. The concept is not restricted to recruiting the right candidate at the right time but it extends to exploring the hidden and unusual qualities of your employees and developing and nurturing them to get the desired results. Hiring the best talent from the industry may be a big concern for the organizations today but retaining them and most importantly, transitioning them according to the culture of the organization and getting the best out of them is a much bigger concern.

Talent Management in organizations is not just limited to attracting the best people from the industry but it is a continuous process that involves sourcing, hiring, developing, retaining and promoting them while meeting the organization's requirements simultaneously. For instance, if an organization wants the best talent of its competitor to work with it, it needs to attract that person and offer him something that is far beyond his imagination to come and join and then stick to the organization. Only hiring him does not solve the purpose but getting the things done from him is the main task. Therefore, it can be said that talent management is a full-fledged process that not only controls the entry of an employee but also his or her exit.

We all know that it's people who take the organization to the next level. To achieve success in business, the most important thing is to recognize the talent that can accompany you in achieving your goal. Attracting them to work for you and strategically fitting them at a right place in your organization is the next step. It is to be remembered that placing a candidate at a wrong place can multiply your problems regardless of the qualifications, skills, abilities and competency of that person. How brilliant he or she may be, but placing them at a wrong place defeats your sole purpose. The process of talent management is incomplete if you're unable to fit the best talent of the industry at the place where he or she should be.

Some organizations may find the whole process very unethical especially who are at the giving end (who loses their high-worth employee). But in this cut-throat competition where survival is a big question mark, the whole concept sounds fair. Every organization requires the best talent to survive and remain ahead in competition. Talent is the most important factor that drives an organization and takes it to a higher level, and therefore, cannot be compromised at all. It won't be exaggerating saying talent management as a never-ending war for talent.

3. Literature Review

The following papers deal with the contribution of different researchers to the field on Talent Management.

Janardhanam, K. et al. (2011) in their study "*Talent management practices in IT sector*", to examine how talent management is currently being used by a diverse range of organizations and to discover the practices of an effective talent management program. In this competitive environment it is very important for the companies to manage their talent well, and then only they will be at a competitive edge in comparison to their rivalries. The finding illustrates talent management provides an overview to all management areas and principles and it has become a top priority for the organizations.

Sheokand, et.al. (2011) have conducted a study on "*Impact of talent management in nurturing future leaders*", with having aim to highlights the need for the significance of an increased effort towards the use of talent management for managing human capital in the organizations. The study has been conducted by taking 184 companies of U.S. Findings of the study reveal that talent management system is recognized with positive intentions for an organization and its individuals but the actual accomplishment of the paybacks proposed may be more challenging than expected to succeed.

Downe, et.al. (2012) have conducted a research on "*Corporate talent needs and availability in Malaysian service industry*", to find out the gaps between corporate needs and the availability of skills and attributes among the talent pool of the Malaysian services sector. The research findings indicated a gap between industry needs and the availability of important competencies within the pool of prospective works. Further, individuals with competencies in communication, information technology and customer relationship management, and those with high motivation and career commitment were most sought by service industry employers.

Kehinde, J. (2012) has conducted a work on "*Talent management: effect on organizational performance*", with having purpose to examine the effect of talent management and its practices on organizational performance. The data for this study were collected through the administration of structure questionnaires to a sample of top executive from the level of CEO or COO or Director or above one questionnaire per firm was distributed among top firms in Lagos metropolis. Lagos was chosen for the purpose of this study because studies have shown that over 60% industries including Banks head office is located in Lagos. The analysis revealed that talent management has positive impact on the organizational overall performance.

Koli, A. (2012) in her study, "*Talent management scenario – A road less travelled in India*", with having objective to study, understand the talent management and to analyze its constraints in India. The result of the study highlights that the Organizations need to tap the right kind of talent for right job. Human resources with talents unique and unmatched must be taken special care of. They are the actual asset of company and will always contribute in self as well overall development of organization.

4. Objectives of the Study

- To determine the contribution of the talent management as a strategic tool for the organisation.
- To determine the impact of motivation that influences the talent pools in the organization.

5. Talent Management in Relation to Various OB Models

The following are the various models which seek to create a road map to realize the organizational objectives and to improve processes for recruiting, developing and retaining people with the required skills and aptitude to meet current and future organizational needs.

Motivation is a willingness to do something and is conditioned by action's ability to satisfy some need of the individual (Swanepoel, et al. 2003:324).

Several motivation theories work on the assumption that given the chance and right stimuli, people work well and positively. The Hierarchy theory of needs is one of the most outstanding creation of Abraham Maslow. In this theory, Maslow has tried to explain how human beings are hierarchical in order.

5.1. Maslow's Hierarchy of Needs

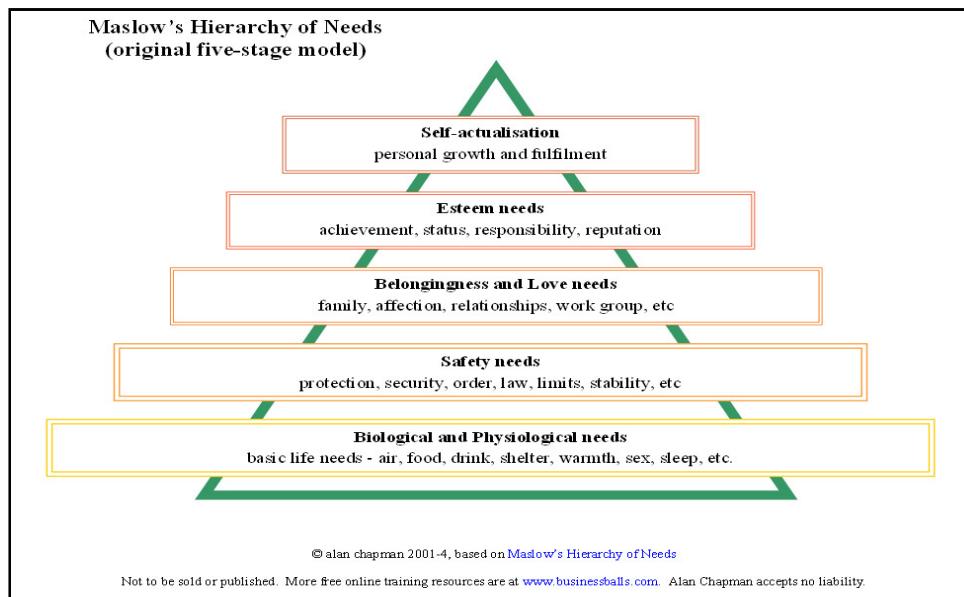


Figure 1

Maslow's theory of hierarchy states that there are five types of needs which are hierarchical in order and each need is substantially satisfied, and then the next need becomes dominant. In a simple sense it can be slightly pointed out that the five types of need of an individual are arranged in a step wise manner and when one is satisfied, then another takes its place and when that one is satisfied, the next one also takes its place and so on. The five levels are namely:

- Physiological Needs: Food, clothing and shelter.
- Safety Needs: a sense of security, absence of fear.
- Social Needs: interaction with friends, neighbours, relatives.
- Esteem Needs: being well regarded by other people, appreciation and
- Self-Actualization: realizing individual potential, winning and achieving.

Maslow's hierarchy simply means that as a lower level of needs become substantially fulfilled the next higher order need increases in strength and thus becomes a powerful motivator. A person fighting for his or her survival (that is, a person whose safety needs are unfulfilled) will not be motivated by opportunities to fulfil his or her status needs, because safety as a lower-order need must first be satisfied before the higher-order esteem needs (Swanepoel, et al. 2003:326).

5.2. Herzberg's 2 Factors Theory

This is an important creation of an eminent psychologist Herzberg. The Maslow theory of need did not provide a satisfactory solution for which the two factor's theory emerged. This theory eradicates that there are two types of desires of an individual i.e. motivational factor as well as hygiene factors. In other words, the basic to factors which contribute the behavior of an individual in the organization are the motivational factor and the hygiene factor.

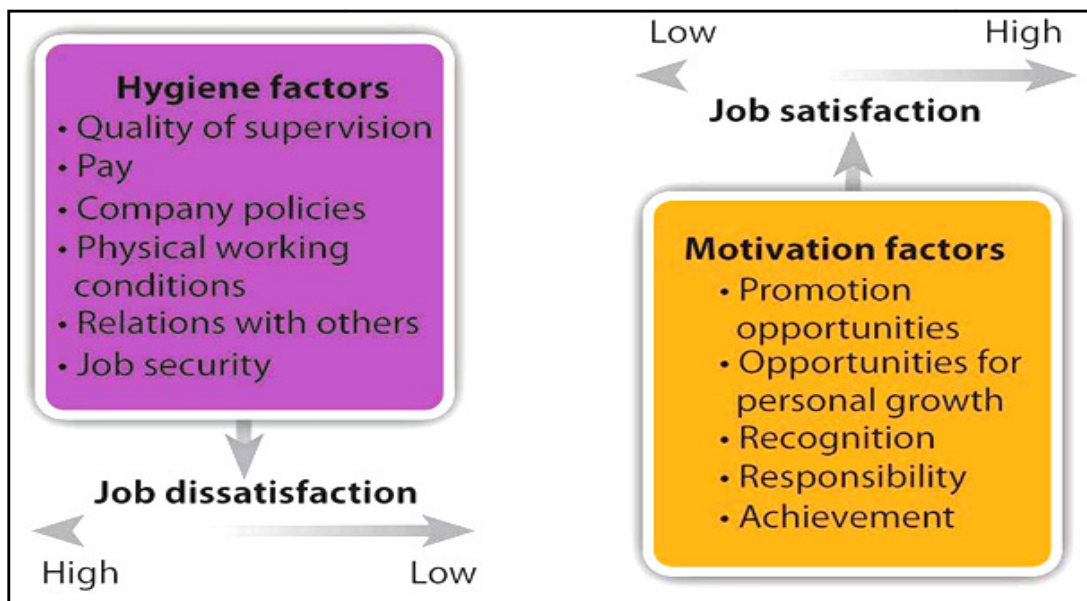


Figure 2

5.3. McGregor's X-Y Theory

Theory X and Theory Y pertain to employee motivation and have been used in human resource management, organizational development and organizational behavior analysis. Theory X and Y describe two very different attitudes towards employee's motivation. McGregor suggest that companies should follow either one of these approaches.

5.3.1. Theory X

Theory X management assumes employees are inherently lazy and will avoid work if they can; because of this, workers need to be closely supervised and comprehensive systems of control set up. A hierarchical structure is needed, this narrow span of control at every level for effective management. According to this theory, employee will show little ambition without an enticing incentive program and will avoid responsibility whenever they can (Alloy, 2000).

The managers influenced by Theory X believe that everything must end in accusing someone. They ponder most employees are only out for themselves and their sole interest in the job is to get paid. The employer tends to blame employees in most situations, without questioning the systems, lack of training or poor policies which could be the real cause of failures (Capel, 2005).

Managers that subscribe to Theory X tend to take a rather pessimistic view of their workers. Theory X manager states that it is the manager's job to structure the work and energize the worker. The line of thought is that Theory X managers naturally adopt a more authoritarian style based on the threat of penalty. Critics believe that a Theory X manager could be an impediment to employee morale and productivity (Cole, 2007).

5.3.2. Theory Y

Management influenced by this theory assumes that employees are self-motivated, ambitious and anxious to accept greater responsibility and exercise self-control, empowerment, self-direction, autonomy. Management believes that employees enjoy their Job. They believe that, granted a chance, employees have the desire to be creative at their work place and become ambitious. There is chance for greater productivity by giving employees the freedom to perform to the best of their abilities without being bogged down by rules of the organizations. (Aloy, 2000)

Theory Y manager believes that granted the right conditions, most people will want to do well at work and that there is a pool of unused creativity in the labor force. The scholars believe that the satisfaction of doing a good job is a strong motivation in itself. Theory Y manager remove the barriers that prevent workers from fully actualizing themselves. Many people interpret Theory Y as a positive set of assumptions about workforces (Madumere, 2000).

Theories X and Y seem to represent unrealistic extremes. Most employees (including managers) fall somewhere in between these poles. Recent research has questioned the rigidity of the model, yet McGregor's X and Y theories remain guiding principles to the management to evolve processes which aid in organizational development. A mix of practices which ensure good systems and the freedom to perform at the work place is likely to motivate the employees more. The practices call for initiation of technology into Human Resource Management (HR), (NyiAkeke, 2005).

McGregor's Theory X and Theory Y			
	Human Nature	Motivation and Rewards	Work and Jobs
X	People are naturally passive; they prefer to do nothing. People remain children grown larger.	Work itself isn't satisfying; people need money, status and rewards to get them to work. The main force keeping people productive in their work is the fear of being demoted or fired.	Jobs come first; people are selected, trained and fitted to meet the needs of the job. People are naturally <u>compartmentalised</u> ; work demands are entirely different from leisure activities.
Y	People are naturally active; they set goals and enjoy striving. People normally mature beyond childhood; they aspire to independence, self- <u>fulfilment</u> and responsibility.	Work offers many satisfactions: pride in achievement, social contacts, new challenges and growth. The main force keeping people productive is a desire to achieve their personal and social goals.	People come first; workers seek self- <u>realisation</u> and jobs must be designed, modified and fitted to people. People are naturally integrated; when work and play are too sharply separated, both suffer.

Figure 3

6. Other Models of Talent Management

Romualdo (2005) suggested four steps model that companies can adopt to quickly access their talent management process and begin improving their talent management competency. The model states that TM process begins with the identification of key roles that are critical for the survival and growth of the organization. Identification of key roles is very important as it helps the organizations to ensure that it has the right people at the right job and roles and responsibilities are properly matched. Once the key roles are identified the next step is to take an inventory of the skills to determine the availability of the skills for the critical jobs and to identify the possible solutions in case of unavailability of the same. The most important aspect of the talent management process is to have the scientific and systematic measurement tools and techniques in place to evaluate the talent management processes and efforts. Every aspect of the process is to be measured in terms of efficiency, impact and effectiveness. Finally, the talent management efforts of the organization will be able to deliver results only when there is a provision for process wide feedback loop to ensure minimum loss of information and proper dissemination of the objectives.

Bersin (2006) proposed a model that depicts talent management as a continuous process that stems from the business plan or the strategic objectives of the organization. Business plan sets the direction and strength of the talent efforts that further helps the organization in identifying talent related challenges; design the relevant HR processes and talent strategies. The model proposes that job roles and the competency management are the foundations for the talent management. Competencies set the tone for descriptions, provide the needed guidelines for workforce planning, recruitment, training and development, compensation planning and decide the benchmark for performance management.

Knowledge Infusion (2006) proposed a talent management model that seeks to create a road map to realize the organizational objectives. The model is based on the concept of "Talent DNA" that has three components. 1. Identification of key roles. 2. Identification of competencies required for the key roles and Creation of database of the competencies. Talent DNA is the building block of talent management that serves as the link among the various HR processes such as succession planning, career planning and performance management. The model provides a mechanism to make the effective and efficient talent related decisions. It further emphasizes that TM is not about the effective people management practices such as procurement and succession planning only but it is an integration of data, people, processes and analytics.

McCauley, Smith and Campbell (2007) of Center for Creative Leadership proposed a descriptive model of talent management. According to them "talent management is the work of designing and implementing the strategies, culture, systems and processes needed for talent sustainability". The organizational systems and processes that are central to talent management include,

- Executive commitment and engagement
- Critical talent identification
- Development and succession
- Learning and development
- Competency model development and deployment
- Sourcing and recruiting
- Rewards and recognition
- Performance management

Knowledge management and the measurement of the effectiveness of the systems and processes used for the purpose of talent sustainability. Talent Sustainability is an organization's ability to continuously attract, develop, and retain people with the capabilities and commitment needed for current and future organizational success. They further believe that everyone in the organization has a

role to play in talent management. The roles that they had identified are “Talent orchestrators”, “Talent accelerators” and “Talent influencers”.

Taleo consultants (2009) define talent management as the implementation of integrated strategies or systems designed to improve processes for recruiting, developing and retaining people with the required skills and aptitude to meet current and future organizational needs. Like other models of TM, Taleo’s model also stresses the need for the integration of talent management processes with business goals and thus become the driver of business performance. The model also calls for strong executive commitment and engagement along with the requisite infrastructure to ensure that the organization has the right quality and quantity of people.

Bearing Point Management and Technology (2008) proposes that for success of the organizational mission, an integration of organizational and employee based human capital strategies is very important. An effective talent management programme needs an alignment between the overall organizational strategic intentions, people management practices and technology. BearingPoint recognizes that competencies serve as the critical foundation for creating a high-performance organization and therefore must be integrated into the core of any talent management system.

Development Dimensions International, Inc defines talent management as the system in which people are recruited, developed, promoted, and retained to optimize the organization’s ability to realize positive business outcomes in the face of shifting competitive landscapes and labor requirements. DDI’s talent optimization model clearly explains that the talent management efforts of the organization must begin with the end in mind. (i.e. all the TM decisions must be focused on the strategic intensions and desired outcomes.) The model emphasizes at four level of organizational analysis to ensure that TM builds leadership capability and create flexible organization to meet rapidly changing market conditions. The critical components of the DDI framework are,

1. Scanning of the business environment
2. Identification of the needed talent to meet the challenges of the environment
3. Preparation of the game plan and
4. A proper insurance policy to ensure that the plans are executed and implemented the way the organization wants them to be implemented.

It can be concluded that the model shows a tight linkage between talent management processes and outcomes of business.

Deloitte also explains the talent management as a four step process,

1. Linking talent strategy with business strategy and business outcomes.
2. Identification of critical workforce segments
3. Focus on what critical talent cares about most and deciding on
4. Talent management programmes.

Regardless of the perspective taken, the fundamental idea is that talent management has the strategic importance and can differentiate an organization when it becomes the core competence and when its talent significantly improves strategy execution and operational excellence (Ashton, & Morton 2005).

Given above models, the models of the following kinds are expected to be effective.

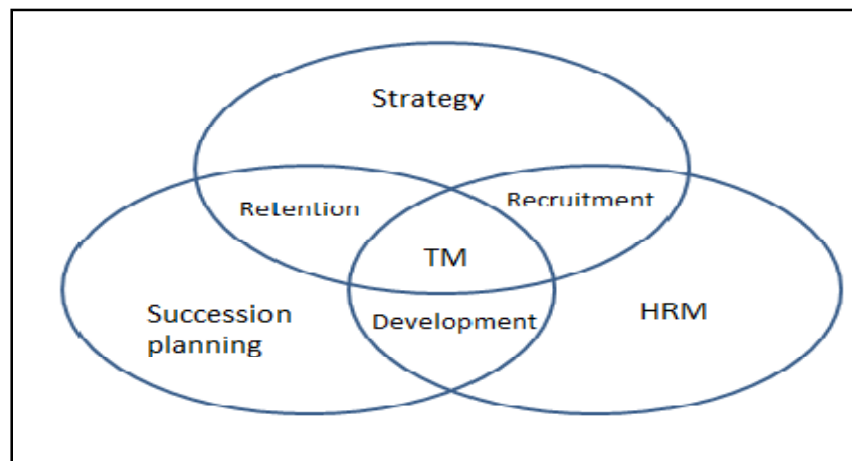


Figure 4: Effective talent management model

7. Conclusion

On the basis of irresistible evidences, we may conclude that integrated talent management is not only improving business performance but also increases the organizational productivity. Organizations gain competitive advantage when they adopt a strategic and rational approach to talent management. The new economic order has provided an opportunity as well a challenge to human resource management and its functionaries to play an important role in achieving the strategic objectives of the organization. They are not required to implement the organizational strategies only but to play an active role in designing and formulating the strategies. For this they need to have a multidisciplinary approach and an understanding of the business goals. HR functionaries have got to play

significant role in addressing challenges of fast changing business scenario as well as enhancing the strategic fit between the TM practices and organizational strategic plan. Taking the strategic approach to talent management involves making the function of managing the talent the most important priority in the organizations and integrating all TM policies and procedures with the company strategy.

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