

Talent Management's Future: What are the Functions of HR?

Neuneung Ratna Hayati*, Detty Safitri, Ace Kusmana
Widyatama University, Indonesia
*neuneung.ratna@widyatama.ac.id

Abstract

Talent Management has become one of the human resource research issues. Conceptually, many studies support talent management, which believed to be a source of organizational competitive advantage. However, in practice, talent management in organizations, public or private, is not easy to implement even though talent management expected to be one of the solutions for organizations to cope with changes from outside the organization. This paper discusses what and how is the role of the HR Department in implementing Talent Management. This article also provides an insight into the future of talent management based on various concepts that have been developed by previous researchers.

Keywords: Talent, Management Talent, The Role of Human Resource.

INTRODUCTION

In the last two decades, talent management has become one of the key topics discussed in the field of HR management. Various studies suggest that business leaders consider looking for talented people to be placed in managerial positions (Al et al., 2014; Guthridge & Komm, 1997; Makarius & Srinivasan, 2017; Thunnissen et al., 2013). This topic began with writing from McKinsey, "War for Talent" in the late 1990s, and until now, talent management has become one of the concepts that remain a black box for organizations. Competition in finding talent will have a substantial effect on the organization. Various factors encouraged the emergence of this issue caused by demographic changes because of the productive age of work, increasing mobility, borderless organization, and transformational changes in the business environment that affect the quantity, quality, and characteristics of the required talent model.

Highly educated employees are resources that are not easily provided by the organization. Today's success will depend on the organization's ability to identify the need for talent, the ability to manage talent, and how the organization retains existing talent. Organizations expected to have the ability to identify and get the right people, at the right time, and the right position to support performance. Of all the definitions of what talents are, this article uses the conceptualization framework of thinking (Gallardo-gallardo et al., 2013). They divided definition of talents in two groups: talent as object versus talent as subject as presented in Figure 1.

(Hatun, 2010) uses the idea that talent can found at various levels of the organization. The application of talent management requires organizational maturity that talent management must align with the organizational strategy and inform the strategy implemented by the organization. Different organizations have different levels of management, standards, focus, and talent requirements, including varying talent needs depending on individual growth patterns (Ulrich & Allen, 2014). Therefore, there is no single blueprint for effective talent management. There are no one best fits at all.

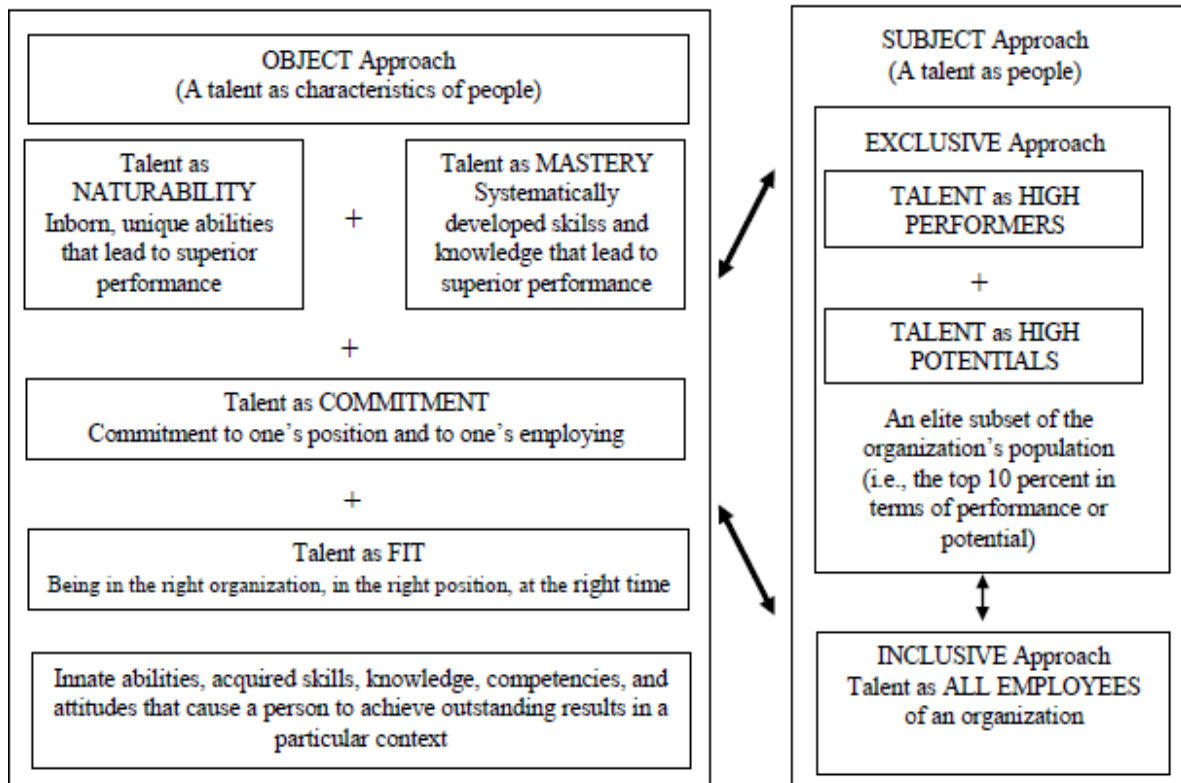


Figure 1. Framework for the conceptualization of talent within the world of work (Gallardo-gallardo et al., 2013)

(Thunnissen et al., 2013) analyzed 62 articles (two-thirds are papers published in peer-reviewed journals).

The results of the study indicated that various articles offer various interest on the topic of talent management with readers from different fields: HRM analyst, international management, business in general, including readers who need talent in particular sectors (e.g. health). Also, various talent management literature develops based on broad academic traditions, including international HRM (for example, related to expatriates), HRM strategies (such as linking strategies and managing valuable talents), and organizational behavior (in this case, linking between career development with management). These various things lead to different perspectives and approaches used in the concept of talent management.

Two-thirds of the conceptual papers have a different focus, covering HRM subfields, such as HRM and international HRM strategies. Almost half of that was associated with talent management and strategy and how talent management can contribute to organizational performance and competitive advantage. The challenges faced in managing global talent are related to talent management in multinational companies and as a key in economic development, and HR practices such as recruitment and selection, talent concentration, and development. While from the conceptualization aspect of talent management, the literature does not indicate anything new, or there are important things that are unknown.

Regarding the concepts of talent and talent management, Lewis and Heckman (2006) in (Thunnissen et al., 2013) underline that there are difficulties in obtaining a clear conceptualization. There are three views expressed in Thunnissen et al. (2013) based on Lewis and Heckman (2006):

1. Labeling standard HRM activities with some small variations (“doing it faster or across the enterprise”) as talent management. The idea that talent is the same as human capital is linked to this view, so talent management is the same as HRM.
2. Focusing on the idea of talent pools and talent management as a process to ensure that employees in the organization flow properly. This view uses consensus that the substitution of preparation of human resource planning planned to fill specific roles, in particular management, is similar.
3. Focusing on talent without any unique position or organizational boundaries in general. There are two different things in this perspective, namely: focusing on high-performing talent of high potential talent (recruitment and development of “A” performers) and those with their talents. HR must, therefore, assist someone to achieve high productivity.

These three views indicate a propensity to shine a spotlight on one particular section of talent management. (Ulrich & Smallwood, 2012) stated talent is not an abstraction. If an organization invests adequately, it will get real value by building better talent (Ulrich & Allen, 2014). Research (Ulrich & Allen, 2014) uses thirteen HR practice processes carried out by organizations when investing in preparing talents that can drive towards achieving organizational performance. The choice of talent in an organization can illustrate as flow. The research uses a system perspective. Talent flows into the organization through the process of sourcing, staffing, and securing. Then take in the organization involves the organization's process of providing motivation and developing talent. Finally, in the process of leaving the organization, there is a process of retention and removal.

THE ROLE OF THE HUMAN RESOURCE MANAGEMENT

The findings of Oxford Economics’ Global Talent 2021 (Watson et al., 2021) showed that there would be a drastic shift in the talent reach in the future so that the company would have to adapt more fastly. The need for new skills includes business transformation: digital skills, agile thinking, organizational and communication skills, and also global operational skills in order to require new HR methods and mindsets. Talent management represents the organization's efforts to attract, build, and retain skilled and valuable employees (Smith, 2014). The goal of talent management is for the organization to obtain individuals with the capabilities and commitments needed for the organization's success today and in the future. The following describes the various steps that can be taken by various positions in the talent management process, including top management, line managers, and HR managers.

Top Management

1. Formulate and determine the direction of long-term strategic plans, especially those related to human capital.
2. Develop and establish a grand design for organizational talent management, including various milestones.
3. Identify the infrastructure and financing requirements needed to ensure the sustainability of the talent management process.
4. Carry out continuous monitoring and evaluation to ensure every stage of the strategic plan.

HR Manager

1. Develop and establish various short-term programs that are sustainable as a derivative of the organization's strategic plan.

2. Formulate and stipulate various technical policies, plans, and programs for implementing talent management.
3. Review and evaluate HR practices, including human resource planning, recruitment and selection processes, employee placement, new employee orientation, training and development, and employee assessment, including a compensation system including various employee relation programs that can support successful talent management.
4. Prepare various infrastructures, including by utilizing information technology to support the efficiency of talent management.
5. Build relationships with various external and internal stakeholders.
6. Creating an organizational climate that supports the accelerated success of talent management.
7. Monitoring and evaluating the talent management program regularly with the principle of continuous improvement of human resources quality.

Line Manager

1. Supporting the implementation of talent management and establishing a good working relationship with the HR Department.
2. Changing the mindset in developing the organization's human resources through talent management patterns.
3. Identifying employees who have potential talents.
4. Not doing business as usual in developing employees in the work unit.
5. Provide feedback on the performance of employees in the work unit.

This framework is supported by research (Ulrich & Allen, 2014) that line managers are talent owners, so line managers must provide time for various issues that arise related to this talent. (Lucas et al., 2018) in their research in Brazil found that in companies, the role of leaders must be supported by HR specialists, specific talent development specialists through various HR policies and practices to obtain the needed talent. Another interesting point revealed by (Minbaeva & Collings, 2013) explains the perspective of the seven myths that emerge in global talent management, the challenges faced in managing talent in the context of multinational corporation (MNC). (Lucas et al., 2018) states that in the context of global companies operating in emerging markets, the challenges faced to identify, employ, retain and develop talent can be greater than in developed countries.

“Myth 1 Talent management is not the responsibility of the HR Department.” This myth arises because of the many studies that say talent management is in top management. The argument used by (Minbaeva & Collings, 2013) that the HR Department has a significant role in the operationalization of Global Talent Management (GTM) because talent management must be aligned and integrated with systems, policies, and various practices that exist in various units in MNC.

“Myth 2 It is all about people.” The argument used that GTM must shift from thinking the importance of inputs to completing a job (such as qualifications and experience) towards evaluating the importance of work based on the potential output of a job combined with the potential difference in the performance of each job role.

“Myth 3. All positions should be filled by 'A players', although (Minbaeva & Collings, 2013) agreed that talents are important and key talents can contribute to the organization (Minbaeva & Collings, 2013) states that not all positions require "A players." Multinational companies should focus on the decision to place 'A players.'

“Myth 4. Talent is portable, and this is often a source of misunderstanding (Minbaeva &

Collings, 2013).” It believes that talent management is contextual; there is a match between the business carried out and the organizational culture. When someone becomes a talent in his organization, it does not mean that he can automatically become a talent in various places.

“Myth 5. Talent turnover is always bad for the organization.” (Minbaeva & Collings, 2013) stated that in MNCs, the key that must be understood by management is to develop a more precise understanding of employee turnover. The possibility of conflict or friction must always be monitored, including the organization of the destination.

“Myth 6. There is a clear line of sight between GTM and organizational performance.” The statement is a myth, because aside from being a challenge for MNCs; on the other hand, MNCs are faced with a qualitative calculation called Return on Talent (ROT). Instead, the ROT calculation combines quantitative and qualitative measures and subjective employee perceptions, including objective talent performance indicators.

“Myth 7. Talent decisions are 'fair' is an assumption that often arises because of the perception that it is implemented based on a performance management system.” However, often talent decisions are based on incomplete information. Often talent management fails because top managers do not always have accurate information or enough time to collect and analyze information. Therefore, organizations need to be aware of the limitations of the systems and processes undertaken when developing standardization of performance ratings among global organizations. In reality, there are significant obstacles in implementing the same standards in various MNCs' distribution areas. Organizations must have the ability to ensure that talent decisions are made based on several different decision inputs. For example, based on performance evaluation, 360-degree feedback, assessment and development centers, and other cultural-related inputs, including discussions with senior leaders to conduct a talent assessment using a qualitative approach.

Various concepts presented by many experts indicate that Talent Management is positive for the organization, but the process of acquiring and retaining this talent is not easy. How can organizations have a talent pool? How can the selection of talents be transparent, and the performance of talents will last long in the organization? How to differentiate the treatment of individuals who have the potential as talents and those who are not? What should the HR Department do?

THE FUTURE OF TALENT MANAGEMENT

A survey from the Deloitte Talent Edge 2020 Survey Series - Blueprints (Talent Edge 2020) for the new normal find that global organizations will need the right people at the right job and location, which often requires new people with new skills at work and the new place. That is, organizations will need investments for the future to find critical skills and provide focus on developing training. PricewaterhouseCoopers LLP in the report (Managing Tomorrow's People, 2020) emphasizes the importance of organizations to adapt, with various management scenarios that are increasingly less simple and integrated with various other systems in the organization. In the 2020 model that connects people and performance, talent management occupies one of the four quadrants offered, including the identification process (including recruitment), career management, learning and development, and international deployment. What capabilities must the organization have in order to adapt quickly? Another question, where should potential talents be managed?

Moreover, how can each process in HR practice be integrated? What should top management do? How is the talent management evaluation system able to detect discrepancies early on?

There is still much homework to do!

CONCLUSION

Based on the above description, the subject of talent management has been identified as providing researchers with plenty of room to perform studies that are useful for theoretical development while contributing to practical aspects. At the practical level, implementing the same approach of talent management does not always reflect the same results in all organizations. One of the keys to successful talent management is the HR department's strategic role in seeking out talent pool-oriented HR activities.

REFERENCES

1. Al, A., Cascio, W. F., & Paauwe, J. (2014). Talent management : Current theories and future research directions. *Journal of World Business*, 49(2), 173–179.
2. Gallardo-gallardo, E., Dries, N., & González-cruz, T. F. (2013). Human Resource Management Review What is the meaning of ‘talent’ in the world of work ? *Human Resource Management Review*, 23(4), 290–300.
3. Guthridge, M., & Komm, A. B. (1997). Making talent a strategic priority. *The McKinsey Quarterly*, 1, 48.
4. Lucas, A. C., Ardichvili, A., Pereira, S., & Casa, D. C. (2018). Challenges of Implementing Western Talent Development Models in a Collectivist Organizational Culture. *Advances in Developing Human Resources*, 20(4), 517-532.
5. Makarius, E. E., & Srinivasan, M. (2017). Addressing skills mismatch: Utilizing talent supply chain management to enhance collaboration between companies and talent suppliers. *Business Horizons*, 60(4), 495–505.
6. Hatum, Andrés. (2010). *Next Generation Talent Management: Talent Management to Survive Turmoil*. Palgrave Macmillan.
7. Minbaeva, D., & Collings, D. G. (2013). Seven myths of global talent management. 5192.
8. Campbell, M., & Smith, R. (2015). *High-potential Talent: A View from Inside the Leadership Pipeline*. Center for Creative Leadership.
9. *Talent Edge 2020 Survey Series*. Deloitte University Press.
10. Thunnissen, M., Boselie, P., & Fruytier, B. (2013). Talent management and the relevance of context : Towards a pluralistic approach *Human Resource Management Review* Talent management and the relevance of context: Towards a pluralistic approach. *Human Resource Management Review*, 23(4), 326-336.
11. Ulrich, D., & Allen, J. (2014). *Talent Accelerator: Understanding How Performance*.
12. Ulrich, D., & Smallwood, N. (2012). *Executive White Paper Series: What is Talent? The RBL Group*, Michigan Ross School of Business.
13. Watson, T., Express, A., Tobacco, B. A., & International, E. (2021). *Global Talent 2021*.