

March 2002

Strategic Talent Management & Retention

Ujjal Bhattacharjee

Dy. Manager, HRD, Bajaj Hindusthan, Ltd.

Follow this and additional works at: <https://managementdynamics.researchcommons.org/journal>



Part of the [Business Administration, Management, and Operations Commons](#), and the [Business and Corporate Communications Commons](#)

Recommended Citation

Bhattacharjee, Ujjal (2002) "Strategic Talent Management & Retention," *Management Dynamics*: Vol. 3: No. 1, Article 11.

DOI: <https://doi.org/10.57198/2583-4932.1256>

Available at: <https://managementdynamics.researchcommons.org/journal/vol3/iss1/11>

This Research Article is brought to you for free and open access by Management Dynamics. It has been accepted for inclusion in Management Dynamics by an authorized editor of Management Dynamics.

Strategic Talent Management & Retention

UJJAL BHATTACHARJEE*

Talent reflects ability, aptitude, skill or personal qualities. Although many talented people work alone, most are to be found in organisation. Organisations have not traditionally been designed to cope with highly talented individuals. The traditional hierarchical model of bureaucratic controls was developed in the context of labour-intensive industries. Not surprisingly, problems and difficulties arise in an economy characterised by talent-intensive industry. Such an economy offers an increasingly wide range of occupational choice for talented people. Economic success depends on making the best possible use of such talent. Talent-intensive organisations have several distinguished features. People really are the most valuable assets, yet they do not appear on the balance sheet. These assets are very much mobile; they can simply walk away if not properly managed.

The critical scarce resource in today's competitive world is talented people. Finding and keeping the talented people needed is the biggest challenge facing business today. In today's global competitive business scenario and with the increase of technological advancement, the need for retention and management of talent has been felt by almost every organisation. Traditionally, most of the organisations are trying to retain their employees through inducting various HR policies like flexitime, various welfare initiatives, in-company gymnasium, cafeteria, etc. Some organisations are trying to retain their employees through better salaries, perks and designations. Few companies have a comprehensive strategy to attract and safeguard their most valuable human resources. Attracting and retaining talent is not solved just with higher salaries and more perks. The solution involves shaping the whole organisation: its vision, values, strategy, leadership, rewards and recognition, standards and feedback. The main reason is that the traditional strategies for employee retention are unsuited to world where talent runs free. The challenge is to create to 'culture of choice'

* Deputy Manager, HRD, Bajaj Hindusthan, Ltd.

- the organisation that attracts the best talents and keeps them. It is time for some fresh re-thinking.

SOME IMPORTANT STRATEGIC ASPECTS OF TALENT

Talent reflects ability, aptitude, skill or personal qualities. Although many talented people work alone, most are to be found in organisations. Organisations have not traditionally been designed to cope with highly talented individuals. The traditional hierarchical model of bureaucratic controls was developed in the context of labour-intensive industries. Not surprisingly, problems and difficulties arise in an economy characterised by talent-intensive industry. Such an economy offers an increasingly wide range of occupational choice for talented people. Economic success depends on making the best possible use of such talent. Talent-intensive organisations have several distinguished features. People really are the most valuable assets, yet they do not appear on the balance sheet. These assets are very much mobile; they can simply walk away if not properly managed.

The first requirement, however, is for the chief executive of the talent-intensive organisation to recognise its nature, to grasp the strategic significance of the fact that without an adequate supply of highly motivated, exceptionally talented people, the organisation has no future in the long run, regardless of its current share price or level of financial reserves. This recognition leads on to the fact that organisational human resource strategies are not merely appendages to the business plan but are in fact central components of overall business strategy.

I was discussing this matter with some executives from reputed talent-intensive companies of India, they asserted that 'We cannot afford to lose a single human resource from our company.' The reason they had mentioned, that they feel every individual is very important, and they provide excellent environment to groom their talent. He also added that they are very much concerned about their extrinsic motivational factors too. Actually, every organisation feels so now days, but some of the organisations are still facing the problem of retaining best talent.

Retention is basically how well an organisation is motivating, inspiring and recognising its key employees so that they don't leave the organisation. Some organisations are interested in retaining their best employees because they feel that they have invested lot on their development and they recruited them from the best Technical or Business schools, with huge pay packet, so they can't afford to lose them at any cost. The other reason is, they have groomed them over a period of time and they gradually tuned up with the organisational culture. They certainly do not try to disturb the organisational perfection.

WHY A TALENTED EMPLOYEE LEAVES THE ORGANISATION ?

In some companies talented employees feel that their exceptional talent is not being recognised and utilised perfectly and it is equated with others. Neither the top management nor HR Deptt. identifies these competent employees. They get their annual increments as per the general organisational policies. So it's equal disbursement of reward for every one.

The talented individual not only leaves the organisation with his self-initiative but the business competitors also poach your premium talent by offering them the better scope of fast career progression, higher compensation, etc. Sometimes, we have observed that when talented employees do not find the job interesting or not matching with their individual career objectives they quit the job. If we see the psychological aspects of employee motivation, it completely depends upon the kind of job he performs and its content. Research says talented people are very much ambitious. So, if they find that the kinds of assignment they are handling in their job situations are not enough to meet their career objectives, they feel de-motivated. Role clarity contributes a lot as far as the talent retention is concerned. Many times, because of un-clear role, employees get de-motivated and they leave the organisations.

LET'S RETHINK RETENTION STRATEGY

Talent development involves acquisition of new capabilities. In the organizational context, it involves acquisition of capabilities (technical, managerial, behavioral and conceptual development). But the ownership should be with the identified talented employees to think about their career within and outside the organization for their development. Organization could assess honestly that how long they would like such employees to stay on board. Such an analysis inevitably reveals that different groups of employees warrant very different retention efforts. Organizations should also decide that which group of employees to be retained and for what duration. Accordingly, they may formulate their retention strategy. Once we know that which employees we need to retain and for how long, we can use number of mechanisms to encourage them to stay back. We have to tailor our programmes as per retention requirements for various talented employees and to the level of demand for them in the marketplace. Let's look at some of the strategic retention initiatives.

Special payments: To retain the hot skills, some companies are now paying special premiums to employees whose expertise is crucial and short in supply. Today, virtually every company offers its key people some form of deferred pay packets in hopes of buying their loyalty. At best ineffective, at worst counterproductive, deferred compensation programmes are nonetheless a necessity in business today. The market demands it now.

Career Development : To retain its best employees, organizations only require facilitating and planning the same, and it should not require planning the individual career in isolation. The employees should take the ownership of their own development. In this case top management and HR Deptt. will only facilitate the same. Thus, promoting employee development is the function of both the employee as well as his supervising officer, top management and HR Deptt. by offering more value added challenging assignments, growth, and scope of continuous learning in and outside the company.

Job Design: To retain people with critical skills for longer tenure, organisations should have further superior strategies than salary. One of the tools is job design. By thinking carefully about which tasks to include in which jobs, by doing this companies can exert considerable influence over retention rates.

Job Customisation: Companies can also tailor the jobs to the needs of the individuals. There are some organisations which provide variety of tools to help the talented employees to suit

their own interests, values and skills, and it also encourages managers to tailor rewards, benefits, and assignments to individual requirements.

Relationship and networking: Loyalty to companies may be disappearing but loyalties to the colleagues are not. By encouraging the development of social ties among key employees, companies can often significantly reduce turnover among talented employees whose skills are in high demand. Such bonding effect also reduces the turnover. More employees - networking also fosters better team-work and co-operation. People who hardly think twice about abandoning a company find it very difficult to walk out on their team-mates.

Performance Planning: Performance planning fixes accountability, sets role boundaries. It also helps the key employees to understand and analyse their contributions and when they will come to know their contribution to the organisation and its outcome, it will definitely increase their motivation level for continuous better performance in the same organisation, and that should be the main objective of the organisation to ensure that the employee should not reach to the saturation level in the organisation. They themselves set their targets. So setting up more challenging and value added targets and their proper evaluation, counselling, review and reward would be one of the very important tools towards employee retention.

Training: Enabling employees to enhance their skills, some organisations offer Professional Development Allowance, in addition to training, so that they will be able to meet the expenditure on the up-gradation of skills. Unless individual employees make such investments for the purpose for which it is given, they won't be doing justice to themselves.

Normally, skill/competency up-gradation can be fulfilled through on the job learning / job rotation and through formal/structured training. In regard to behavioural areas, it is very likely that non-training solutions may be of greater help. The organisations' structure, strategy, culture, value systems and philosophy will have impact on employees' behaviour and performance and employees.

So, talent management and retention are having a greater sense of inter-dependency. From time to time, organisations are required to evaluate their human resources strategy and, if required, should incorporate the changes with respect to the market situation. Example: Now-a-days, software professionals require different retention strategy than a manufacturing engineer. The top man of the organisation plays the most crucial role in the entire process. The Chief Executive officer along with the other top management of the company have to articulate the long-term business objective of the company, and it should link up the required level of talent and their retention strategy to attain its long-term business objective. The final word is that top man of the organisation should be whole-heartedly committed toward development and retention of talent, then only it will be successful. Research and surveys conducted in the areas, say, if we encourage more emotional ties of loyalty, pride and commitment, it is likely prove more effective in the long run than approaches based on financial incentive. With the context of present global recession, the retention is not so burning issue. The reason is demand, and supply of talent. If the supply of the talent is more than demand then the retention becomes comparatively easier. Nevertheless, companies were conscious of the need to have HR policies to ensure retention of their most talented people and it was generally recognised that for building ties of loyalty, the key factors were to do with challenging work assignments and career development, performance planning, etc., than with remuneration packages.