

Talent Shortage and Its Remedies: Strategic and Integrated Talent Management and Talent Development Approaches

Tassawalai Puttip

Human Resource Development Officer at Office of the Civil Service Commission,
the Royal Thai Government

E-mail : tassawalai@gmail.com

Abstract

The purpose of this paper is to explore the causes and effects of talent shortage, which has become a pressing issue for every sector and worldwide. Talent shortage is not about the number of people available in the workforce. It is about the availability of the right skills and talents, which are needed in the workforce in order to drive the economy in the right direction and to the prosperity. The causes and factors that have intensified the severity of this phenomenon to be discussed in this paper are unprecedented demographic shifts, economic conditions, technological progresses, and quality and congruence of education with the demand in the labor market. The potential remedies presented in this paper are workforce assessment, integrated succession planning and career planning, knowledge transfer and learning and development. These approaches are based on strategic and integrated talent management and talent development, as the key element of the talent shortage is the human capital. It is crucial for an organization to confront this crisis strategically and proactively by making sure that they have the right talent in their talent pools. Moreover the presented approaches should be taken as on going process for the long-term result.

Introduction

Talent shortage, occurring when the demand for talent or human capital outweighs its supply, has been recognized as a workforce crisis and posed insidious threats to today's growth and prosperity of economy, which has become knowledge-based, idea-driven and value-added instead of being driven by physical labor-intensive paradigm (Erickson, 2010). Human capital, hence, has become an intangible and indispensable asset that fuels and empowers the economy (Schweyer, 2004; Lewis, 2006). Shortages of talents in terms of availability and specific skills required in certain and critical job categories are growing more acute and widespread (Erickson, 2010). According to Manpower's first quarter 2010 Talent Shortage Survey, 35,000 employers across 36 countries noted that the STEM jobs—scientific, technical, engineering, and mathematically based jobs—are the hardest to fill (Manpower, 2010).

Despite of the fact that the world has been overpopulated, resulting in greater raw number of people flocking to the workforce, a rising demand for specific new skills and competencies paired with growing deficit in basic skills is actually what organizations and many countries encounter. The Bureau of Labor Statistics projected the expected critical reduced growth in workforce due to large-scale retirements and fewer younger people entering the job market amplifies this crisis as there will be the massive exodus of talent—accumulated skills, expertise and knowledge of those soon-to-be retirees (Gordon, 2005).

Demographic shifts, economic conditions, technological progress and education are primarily factors intensifying this phenomenon and will be discussed in this paper. It can be seen that talent is the critical component and the commodity of this issue, which needs to be carefully and strategically assessed, managed, cultivated and retained

(Schweyer, 2004). Thus talent management comes into play, as at its heart, talent management is a matter of anticipating the need for human capital and then mapping out a plan to meet it (Cappelli, 2008). It is closely associated with managing supply and demand. With that being said, in order to over this talent shortage and maintain the competitive advantages, an organization needs to strategically manage and optimize the talents they have in their current talent pool and continuously cultivate the new seeds of talents through the proposed integrated approaches of talent management and talent development—workforce assessment, succession planning and career planning, knowledge transfer and learning and development. It is crucial that the supply is well managed and controlled so that no matter what happens to the demand side, the right talent is always available in the pool.

Causes

Demographic Shifts

“The demographic crunch is coming and will be exacerbated by a talent crunch that threatens to stall the engines of economic growth” (Manpower, 2008, p. 3). In many developed countries across the globe including the United States are experiencing the unprecedented shifts in demographics particularly in age distribution of the general population or age wave, critically affecting the labor force (Dychtwald, Erickson, & Morison, 2006). This phenomenon, driven by dramatic drop in birthrates below the replacement rate, an increase in longevity and disproportionate size of current workforce, leads the workforce incapable of supporting the economic needs of many countries (Manpower, 2008; Dychtwald, Erickson, & Morison, 2006).

In the US, the *baby boomers*, who were born between 1946 and 1964 as a result of the end of the Depression, World War II and the Vietnam War

era, make up nearly one-third of all Americans or 76 million people. Manifestly, the boomer generation has significantly shaped the way of life, driven the workforce, which has fostered economic prosperity for decades (Dychtwald, Erickson, & Morison, 2006). However as the influx of employees of the baby boom generation are leaving the workforce due to the retirement age, there will be an acute exodus of skills, knowledge, and expertise, which are the invaluable asset of an organization (Dychtwald, Erickson, & Morison, 2006). About 10,000 people per day in the United States are expected to reach their retirement age over the next two decade (Drenner, 2008). In micro level aspect, if an organization is not prepared for this adverse circumstance, it can run the risk of losing great stores of skills, wisdom and knowledge especially the organizational knowledge (Calo, 2008).

Increasing in longevity, which is the consequence of technological advances in medical industry, breakthroughs in healthcare and other quality-of-life advances, has a significant impact on the workforce both at macro and micro levels (Dychtwald, Erickson, & Morison, 2006). Around the twentieth century, the life expectancy of people in the United States was at forty-seven; now a century later, the life spans of 14 percent and rising of the American is at sixty-five as reported by the National Center for Health Statistics (Dychtwald, Erickson, & Morison, 2006; Aria, 2010). Those, who are active in the workforce, will be insufficient to generate the wealth needed to sustain those who have retired or unemployed (Manpower, 2008). The organization itself has to come up with attractive and constructive incentives to attract and retain the older workers who are the vital commodity of the organization as they have harnessed their skills and expertise throughout their career (Dychtwald, Erickson, & Morison, 2006; Manpower, 2008). It is crucial for

organizations, particularly those who are in niche industries requiring specific skills and knowledge, in shortage of those specialized skills to prolong and be proactively prepared for the looming talent shortage, which can hinder their productivity.

Besides the above-mentioned forces driving the demographic shifts, the declining birthrate cannot be overlooked since it momentously affects the future size of the workforce in the near future (Manpower, 2008). In the United States, the average number of children per women used to be at peak at 3.7 in the mid 1950s; however, it has declined to 2, which is below the replacement rate of 2.1 children per woman (Dychtwald, Erickson, & Morison, 2006, p. 5). What is more startling is that nearly 20 percent of baby boomers will have no children (Dychtwald, Erickson, & Morison, 2006). Other industrialized countries such as Japan (1.4), Germany (1.3), China (1.8) and the United Kingdom (1.7) are also faced with the birth dearth (Dychtwald, Erickson, & Morison, 2006). This phenomenon, occurring across industrialized nations and developed countries, signifies fewer young people entering the workforce and to catch up the demand of the talents entitled to the older workers who not only outnumber but also are leaving the workforce.

Economic Condition

Economic conditions, whether economic slowdown, recession or economic growth, and the job creation which is the attribute of economic conditions, influence the demand of workers and talents (Manpower, 2008). For example, the recession at the turn of the twentieth century, coupled with the September 11 aftermath, the America economy was hit severely forcing the reduction in demand and slowed down the talent shortage. However once the economy recovered and bounced back to its healthy condition, job creation has been accelerating, thus

the demand goes up at a robust pace (Dychtwald, Erickson, & Morison, 2006). Therefore it is vital for organizations to strategically and continuously manage and develop the talent supply they have in order to maintain its competitive advantage when the economic downturn hit them and to maximize the competitive advantage and accommodate the increased demand when the economy recovers to its full strength.

Technological Progress

Technological advances, particular in computer technology, across industries have been mushrooming. Furthermore their applications have redefined the world we live and made a substantial impact on productivity and the workforce (Ooi, 2010; Manpower, 2008). Subsequently technological progress is one of critical forces creating paradigm shift in economy and the new primacy of talents (Schweyer, 2004). While it creates new jobs, which require new skills and competence and generate greater job opportunities available in the market, certain skills and knowledge have become obsolete (Manpower, 2008). Those, who want to be in an employment need to continuously learn and upgrade their skill sets to be sellable in the labor market and to meet the demand. Organizations or employers themselves need to make sure the talents in their pool are constantly developed, enhanced, and created through a systematic training and learning programs implemented in the organizations.

Education

This factor is the attribute of the economic conditions and technological progress factors; the economy has become increasingly information-and-knowledge-oriented and technological advances have become driving forces in the economy. There are two key aspects of this factor that con-

tributes to the talent shortage and talent mismatch: the inadequacy of existing education in terms of outdated and not-in-tune-with-economic-demand education and declining popularity in certain fields of education needed in the current economy. The Bureau of Labor Statistics estimated 56 percent of workers gather, process, or use some form of automated information in their work (Fullerton & Toosi, 2001). However, it does not seem that the current education-to-employment in the United States, for example, accommodates the talent demand in the market; it does not prepare college graduates for the more specific and refined skills required to fill in the vacancies (Manpower, 2010). According to the sixth annual McKinsey Global Survey conducted in 2010 titled Five Forces Shaping the World Economy, most executives around the world were concerned about the availability of the right kind of talent to meet their business strategic goals over the next five years and most of companies in North America struggled to recruit individuals to fill the job in these categories: research and development, information technology, operations, management and sales (Dye & Stephenson, 2010). If the current education-to-employment remains unchanged in 2018 the United States will fall short by 3 million post-secondary degrees of the 22 million college degrees needed in the workforce as stated in the study conducted by Georgetown University, "Help Wanted: Projections and Education Requirements Through 2010" (Carnevale, Smith, & Strohl, 2010). Last but not least too many students go into and in-trend finance and law fields of study and career instead of STEM fields, which are in high demand. The baby boomers, who have been in this career field are going to leave the workforce soon and will cause a vacuum in the workforce, thus shaking the economy as a whole (Gordon, 2010).

Remedies

To overcome the talent shortage, which can jeopardize any organizations productivity, strategic and integrated talent management and talent development approach should be implemented and enforced in the organization. When the time they need the talent comes, it might be too late if they do not proactively confront this crisis. We must know where we can find talent, how we can develop it, and how we can keep it (Ooi, 2010). Workforce assessment and integrated succession planning and career planning serve as tools to help organizations learn more about their existing talents and find the new one if necessary. To develop and at the same time keep the talent, knowledge transfer, with an emphasis on mentoring practices, and learning and development components come into play to help the organization develop and keep the talent.

Workforce Assessment

It is necessary for an organization to look at and assess their existing internal capacity instead of jumping on a bandwagon and looking for an external help right away. Before we can manage the talent—designing succession planning and career planning and implementing learning and development programs, the workforce dynamics must be analyzed first in order to gain a solid understanding of the internal workforce (Schweyer, 2004).

Besides looking at and then understanding the nature of the internal workforce in the organization such as existing diversity in terms of age, gender, ethnicity, background, employee's attitude, needs and satisfaction levels, studying the local, sometimes national and international labor market to understand the labor supply and be in tune with external environment and circumstance is vital as well (Dychtwald, Erickson, & Morison, 2006). However since the talent shortage is looming and even impeding some organizations, Dychtwald, Erickson and

Morison from Harvard Business School who can be considered pioneers in this area recommend organizations to assess and amplify the internal workforce information in the four suggested areas (Dychtwald, Erickson, & Morison, 2006). Key employee groups, who are on the high-potential and high-retention lists, should be targeted to conduct a survey on and to understand more fully (Dychtwald, Erickson, & Morison, 2006).

Firstly in order to be able to tailor more attractive incentives, discover emerging needs and identify critical workforce segments, information about aspirations and preferences of employees—what they want and need from employment deals and incentives, how well they understand and make use of available incentives, and what are their motivations to stay or leave the organization--should be obtained and carefully analyzed (Dychtwald, Erickson, & Morison, 2006).

In addition, *employee segments* help an organization visualize patterns of their workforce change by more strategically and efficiently categorizing employee information segmenting by age, various dimensions of their heterogeneity, by employee needs and preferences, by current skills and development needs and etc. (Dychtwald, Erickson, & Morison, 2006, p. 212). After assessing all the employee segments, then specify which segments play a critical role or most pivotal role to business success or are in short supply. The last step is to create *labor/skills demand-and-supply profiles* for them (Dychtwald, Erickson, & Morison, 2006, p. 212). Apart from developing employee segments, creating a job taxonomy help an organization understand more about their existing three different job categories—job groups, job families and job functions in the organization as such analysis reveals an anticipated surplus of people in certain job categories and a shortfall (Strack, Baier, & Fahlander, 2008).

Reviewing employee performance and potential, the performance assessment tools and other management methods applied in the organization—how precise, consistent, and efficient these tools and the performance results are—enable the organization to have a better understanding and insightful information about their employees and the performance measurement in place—whether or not the existing performance assessment tools are systematic and effective enough (Dychtwald, Erickson, & Morison, 2006, p. 212). A 360-degree performance assessment can be an alternative performance measurement tool as well; it captures employee's performance from multi raters' perspectives (Garavan & McCarthy, 2001).

The last area of workforce facet to be assessed is labor markets (Dychtwald, Erickson, & Morison, 2006, p. 212). To be proactively and strategically manage the talent pool, it is recommended to expand tracking and analysis of current and potential recruiting pools especially if the need to recruit more talents is anticipated (Dychtwald, Erickson, & Morison, 2006). It is also important to understand the potential talents out there.

If the workforce assessment is practiced on an ongoing and strategic manner, it can help an organization optimize the talents they have and be well equipped with comprehensive information and tools to confront any workforce-related challenges.

Succession Planning and Career Planning

The expected retirements of the baby boomers, which are constituents of demographics shifts, have heightened the succession planning and career planning concepts and its practices. Those strategic executives, who are cognizant of the circumstance, have been concerned about who will replace today's aging workforce especially those who are in senior-management positions (Rothwell, 2011). This

process facilitates the organization to locate their current and prospects talents and then develops them. They are components of workforce planning, not substitutes for. According to Rothwell (2011), succession planning and career planning should be integrated and launched as a strategic model to help the organization and employees establish a what's in it for me (Rothwell, 2011, p. 122). He proposed a model with ten components to institutionalize the integrated succession planning and career planning.

It is necessary to thoroughly understand the two concepts before integrating and applying them. Succession planning is the process of developing the talent existing in the talent pool in the organization for future deployment, while career planning is the process that gives individuals the opportunity to clarify their future career goals and aspirations and ultimately establish strategies to achieve them (Rothwell, 2011). Career planning also gives individuals the ability to compare their current competencies to those needed for the future. The key advantage of this integrated approach is that it counterbalances pressure from top-down in addressing talent needs by creating pressure from bottom up—making the organization's leader aware of what the employees have on their plate and what their needs are (Rothwell, 2011).

The first step of instituting succession planning and career planning is to determine when they are appropriate strategies (Rothwell, 2011, p. 123). The organization might need it when it is worried about the loss of experience staff or when it anticipates talent shortages. Succession planning is a systematic development process of internal staff; therefore, it cannot be established overnight and make it work. Rothwell (2011) suggested that organizational leaders ask the question: How can the work be organized and accomplished best? (p.122).

The next step is to formulate policy, goals,

roles, and accountabilities and communicate them to those who are in charge of the whole process (Rothwell, 2011, p. 124). Write a clear policy that describes why the organization is establishing the process, what specific goals are expected to be achieved, and what roles different stakeholders such as HR Department, senior leader or CEOs should be expected to play (Rothwell, 2011). It is necessary to get buy in and fully support from stakeholders in order to carry out the process successfully and effectively.

In addition, make sure to clarify present job duties and worker competencies; talent can only be developed when it is clear to employees what work they are expected to do and what desirable characteristics and competencies are (Rothwell, 2011). With that being said, managing and measuring performance is an essential component of this process as well. An effective performance management system should be able to measure individuals on results (outcomes) and behaviors, which are linked to required competencies (Rothwell, 2011). When it comes to recruiting and selecting talent, the organization has to make sure that the talents meet the present and future needs by aligning the recruiting and selecting process to the succession and career-planning (Rothwell, 2011). Once the talents have been recruited, it is crucial for the organization to recognize that neither job duties nor competencies are steady. They should be revisited and changed over time to facilitate efforts to execute business strategy, which is also not static as it is influenced by both internal and external factors such as environment and economic conditions. Therefore, future job duties and worker competencies should be aligned with organizational strategy (Rothwell, 2011).

Rothwell (2011) suggested that in order to help an individual performance the job to his/her optimal and for the required future work or talent needs of

the organization as a whole assess individual potential is needed to be exercised with the help of some of these approaches—360-degree assessment, assessment center, step-up assignments and etc. (see Appendix). Once the individual's potential to grow has been assessed, it is important to narrow developmental gaps through Individual Development Plans (IDPs) and actions (Rothwell, 2011). The IDP helps an organization to be more specific when designing developmental strategy to help an individual close his developmental gap—discrepancy between an employee's objectively rated work experience and competencies/behavior necessary for higher-level responsibility (Rothwell, 2011). After the talents have been identified, assessed and developed, it is crucial to retain them and transfer the knowledge—tacit and explicit knowledge. This process can be done through mentoring, which will be discussed in the next section of the paper in details. Last but not least, to complete the model and assess its effectiveness, it is important to evaluate the program results against the goals set prior to establishing the whole process (Rothwell, 2011). This can be done through the computation of Return On Investment (ROI) or a survey.

Knowledge Transfer

As stated earlier, knowledge transfer is one of the vital components of succession planning and career planning and thus the talent management strategy. Besides human resources, knowledge, which is accumulated, leveraged and thus instilled in an individual, has been recognized as the most strategically pivotal resource of organizations (Grant, 1996). Especially in this era, where global economy has become intensively knowledge based and organizations are at high risk of losing the large number of knowledgeable cohort of baby boom workers, the ability to capture and pass on the knowledge

to others is critical. Not only do organizations need to be proactive to implement integrated strategies to find, develop, and grow the talent, but also to transfer the knowledge within the organization (Calo, 2008). Once the knowledge is lost, it can never be fully received; therefore, organizations can run a high risk of losing productivity and increasing errors (Calo, 2008).

Explicit knowledge and implicit knowledge are two fundamental types of knowledge. Explicit knowledge is unambiguous, observable, articulated, stored and indisputable (Turner & Makhija, 2006). Therefore it can be codified, written down, and readily to be transferred within an organization or between individuals without distortion or losing its meaning (Calo, 2008). It can be kept in the written form of documents, database or journal and etc. In contrast, tacit knowledge, such as wisdom and experience, is difficult to be transferred to others by means of writing down, recording or even to effectively articulating to others. It is inexpressible, not readily transferable, embedded in an individual and in the experience of the organization (O'Dell & Grayson, 1998). Moreover most of institutional knowledge or organizational knowledge, which resides in an organization's memory system and is a distinct attribute of an organization, is embedded in individuals.

Tacit knowledge is very personal and some might even feel their accumulated knowledge and expertise are entitled to them. They own it. Thus, organizational environment, work orientation, culture, policies, management support and performance-related rewards should facilitate and encourage knowledge transfer between valued longtime employees and younger ones (Calo, 2008). What can an organization or HR department do is to develop certain incentives, which encourage employee engagement in such practices through reward of recognition or

offering those who have become retirees a part-time job as a mentor or a visiting coach. However, some might not have a strong communication skill to articulate their thoughts and pass on their knowledge to others. A training program which gears towards mentoring skill can be implemented and enforced to send a signal to targeted employees that the organization takes this issue seriously and values their employees' knowledge and expertise. DeLong (2004) asserted that mentoring and coaching can be the most effective way of transferring explicit and tacit work-related knowledge because mentoring builds personal relationships and create a positive organizational culture.

Mentoring can be viewed as a process of transmitting knowledge, giving advice and direction with the involvement of a relationship between the mentor and mentee with learning and development as its purpose (Megginson & Garvey, 2004; Brockbank & McGill, 2006). Mentoring helps mentees learn technical skills, knowledge, current job, organizational culture, know-how and be prepared to succeed the mentor in the future (Caruso, 1992).

Besides face-to-face mentoring, e-mentoring can be an alternative for those organizations that go global making their employees geographically distant or for those who have time constraints as can be achieved by virtual classroom and e-mail coaching (Brockbank & McGill, 2006). E-mentoring, has been defined as 'a computer-mediated, mutually beneficial relationship between a mentor and a protégé, which provides learning, advising, encouraging, promoting and modeling, that is often boundaryless, egalitarian and qualitatively different than traditional face-to-face mentoring' (Bierema & Merriam, 2002, p. 214)

It can be seen that not only do a mentee and the organization benefit from knowledge transfer, but also the mentor himself might learn more from

exchanging knowledge and be challenged by different perspective from the mentee. It, therefore, is the mutual learning and development of both parties.

Learning and Development

Learning and development comes into play as processes of growing and keeping the talent. Learning is fundamental to any organization's capability and productivity, recruitment and retention, and leadership and capacity to change (Dychtwald, Erickson, & Morison, 2006). Especially in this time where changes are constant making one existing skill obsolete in no time and where talent shortages poses imperial threat to any organizations, learning and developing has become among the most pivotal capabilities of any organizations. General Electrics, one of the most successful and talent-powered corporate in the world, considers learning as their 'core competency' (General Electrics, 2000). Becoming a learning organization, thus, can be one of the most strategic and efficient approaches to confront with the looming talent shortage crisis.

Dychtwald, Erickson & Tamara (2006) asserted that learning could alleviate the severity of talent shortages in two ways. Learning has become an integral part of the attractive employment incentive, thus motivating them to retain their employment in the organization. Employees, particularly those who are the best and brightest expect companies to invest in their professional development and enjoy learning (Dychtwald, Erickson, & Morison, 2006, p. 160). Moreover, in order to proactively and strategically react to the skill shortages, it is vital for organizations to hone their talents and cultivate their own expertise by providing their employees with learning opportunities both on the job and off (Dychtwald, Erickson, & Morison, 2006). The organization can accommodate learning opportunities for employees through job rotation, in-house training programs/

workshops or formal education programs. However, to foster learning as an organizational culture and make it embedded as a part of organization, where employees can be continuously exposed to learning opportunities and can update and enhance their skills at all time, becoming a learning organization can be a solution

According to Garvin (2003), a learning organization is one that is skilled at creating, acquiring, analyzing, transmitting and retaining knowledge and then modifying its behavior purposefully to reflect new knowledge and insights. It can be seen that learning does not have to be in a formal classroom setting. It is the organizational culture and environment that encourage and advocate learning and development activities among employees. Hence to become a learning organization, learning strategy should be aligned with business strategy as it affects the organization operation and productivity as a whole (Dychtwald, Erickson, & Morison, 2006).

It is important that an organization look at organizational learning as a three-legged stool to get a better and broader perspective on learning and to optimize the potential of learning channels (Dychtwald, Erickson, & Morison, 2006).

Firstly, learning in form of training delivers useful and well-tailored content to meet the needs of employees in order to develop specific capabilities. It can be conducted in instructor-led learning, virtual classroom, on-job training, or certification. (Dychtwald, Erickson, & Morison, 2006). An organization can design and provide their employees with the appropriate type of training and its context that fits their needs and enhance their skills.

Secondly learning in development facet provides the employees with the right combination of skills and the right behaviors for learning by advocating and enforcing individual career and growth plans integrating challenging and advanced

job assignments (Dychtwald, Erickson, & Morison, 2006). Furthermore, self-directed learning should be promoted among employees in the organization since it gives learners some kind of autonomy to learn. They can learn at their own pace, choosing their own learning areas and topics that they are interested in or that would help them develop certain skills and expertise they believe they lack (Knowles, 1975). The organization can encourage self-directed learning among employees by providing learning resources such as data-search capabilities, consultation on learning plan and a company library; It also promotes lifelong learning which fits the environment nowadays that is fast pace and changes are constant. This way, employees are intrinsically motivated to continuously improve and develop their skills and performance for their own advantage. Last but not least, learning by means of knowledge networks can be administered by establishing connections among people who can efficiently and effectively teach, learn from, sharing ideas and information through discussion or mentoring (Dychtwald, Erickson, & Morison, 2006). Peer coaching/mentoring, supervisor mentoring/coaching or expert coaching/mentoring sessions and programs can be implemented to reinforce the knowledge network process. The most effective learning experiences are the integrated ones. By combining the three-legged stool learning approaches, the organization can ensure that individual development be leveraged (Dychtwald, Erickson, & Morison, 2006)

There are eight approaches to be considered and adopted when an organization decides to become a learning organization especially during this time when talent shortage crisis is posing threat to any organizations which do not take proactive and integrated approach to deal with it (Dychtwald, Erickson, & Morison, 2006). It always starts with learning, understanding and assessing the existing skills and

then anticipating skills needed in the future. This step is called filling skills gaps and enabling skills transition. If the organization finds out that they do lack certain internal talents and skills, they should reach out for help by working with educational and governmental organizations to find the needed and right talents to fill in the gap. Next step is to rapidly incorporate and train new employees. The key is to get the new employees on board and be ready to work for the organization and to learn about organizational culture, work orientation, mission and values. This can be done with the help of peer mentoring or supervisor coaching. By having individual development plans for all employees regardless of ages and rank and providing well-tailored and continuous learning opportunities available for all employees, the organization is taking on another approach of becoming a learning organization, commit to lifelong learning for all employees. Applying and integrating all the three learning channels based on the three-legged stool concepts—training, development, and knowledge network is another recommended approach to be taken. Besides maximizing the use of those learning channels, it is equally essential to leverage information technology as it enables cost-effective learning in a variety of context and means, which best fits the need of employees, such as e-learning, virtual classroom, and e-mentoring. Encouraging and embracing diversity is a way to turn diversity into learning through action-learning experiences, which enable heterogeneous groups of employees in the organization to learn more about each others from share experience and attitude and working collaboratively. This can also encourage explicit and tacit knowledge transfer. As mentioned above, learning and development is one of the key elements to attract and retain the talent; therefore, it is advisable that the organization brand their learning commitment to make them become an employer

of choice by being committed and articulate such incentive to all employees and prospect talents. Last but not least, develop and follow learning agenda by aligning learning strategy and plan with business strategy and continuously reinforce it.

Conclusion

All in all, to effectively and successfully confront with the talent shortage phenomenon, an organization needs to be proactive and strategically integrate talent management and talent development approaches. Any approach and strategy should be designed and geared toward finding, developing and retaining human capital. What is more, they should be part of and aligned with business strategy. The first thing they should do is to look at their current workforce, learn more about it and analyze what they have on their plate and how to optimize those talents. If it is beyond their capability, they can reach out to external talent pools. Subsequently, this is not a sole responsibility of Human Resource Department or Division. If possible everyone in the organization should be on board especially the internal stakeholders as they are the driving forces to optimize the efforts.

References

Aria, E. 2010. **United States Life Tables, 2006.** U.S. Department of Health & Human Service, National Center for Health Statistics. Maryland: National Center for Health Statistics.

Bierema, L., & Merriam, S. 2002. E-mentoring: using computer mediaed communication (CMC) to enhance the mentoring process. **Innovative Higher Education.** 26(3) : 214-221.

Brockbank, A., & McGill, I. 2006. **Facilitating reflective learning through mentoring & coaching.** London, Philadelphia : Kogan Page.

Calo, T. J. 2008. Talent management in the era of the aging workforce: the critical role of knowledge transfer. **Public Personnel Management.** 37(4) : 403-414.

Cappelli, P. 2008. Talent Management for the Twenty-First Century. **Harvard Business Review.** 86(3) : 74-81.

Caruso, R. 1992. **Mentoring and the Business Environment.** Brookfield, Vermont : Dartmouth Publishing Co.,

Carnevale, A. P., Smith, N., & Strohl, J. 2010. **Help Wanted: Projections of Jobs and Education Requirements Through 2018.** Georgetown University, Center on Education and Workforce. Washington : Georgetown University.

Employment Policy Foundation. 2002. **The Seventh -Annual Workplace Report.** Retrieved April 24, 2011, from Challenges Facing the American Workplaces, Summary of Findings.

Erickson, T. (2010, May 12). **The Workforce Paradox: We're Short on Talent, Not Just Jobs.** Retrieved April 23, 2011, from Harvard Business Review : http://blogs.hbr.org/erickson/2010/05/the_workforce_double_whammy_no.html

Dychtwald, K., Erickson, T. J., & Morison, R. 2006. **Workforce Crisis: How to Bear the Coming Shortage of Skills and Talent.** Boston, Massachusetts, United States of America : Harvard Business School Press.

Dye, R., & Stephenson, E. 2010. **McKinsey Global Survey Results : Five Forces Shaping Global Economy.** McKinsey&Company. McKinsey &Company.

DeLong, D. W. 2004. **Lost Knowledge.** New York, NY: Oxford University Press.

Drenner, D. 2008. **First baby boomer receives 1st Social Security payment.** Retrieved April 26, 2011, from USA Today: http://www.usatoday.com/money/perfi/retirement/2008-02-12-boomer-social-security_N.htm

Fullerton, H. N., & Toosi, M. 2001, November. Employment Outlook: 2000-10: Labor Force Projections to 2010 : Steady Growth and Changing Compositions. *Monthly Labor Review*. 21-38.

Garvin, D. A. 2003. *Learning in action: a guide to putting the learning organization to work*. Boston, MA: Harvard Business School Press.

Garavan, T. N., & McCarthy, A. M. 2001, 360 Degree Feedback Processes : Performance Improvement and Employee Career Development. *Journal of European Industrial Training*. 25(1) : 5-32.

General Electrics. 2000. *GE 2000 Annual Report*. General Electrics Company.

Gordon, E. 2010. The Job Revolution: Employment for Today and Tomorrow. *Techniques: Connecting Education & Careers*. 85(8) : 28-31.

Grant, R. M. 1996. Toward a knowledge-based theory of the firm. *Strategic Management Journal*. 17 : 109-122.

Knowles, M. 1975. *Self-directed learning: a guide for learners and teachers*. New York, NY: Associate Press.

Lewis, T. 2006. What Talent Shortage? *Medical Marketing & Media*. 41(9) : 76-82.

Manpower. 2010. *2010 Talent Shortage Survey Results*. Retrieved April 24, 2011, from Manpower: <http://us.manpower.com/us/en/multimedia/Global-Shortage-Survey-Results.pdf>

Manpower. 2008. *Confronting the Talent Crunch: 2008*. Manpower Inc. Milwaukee: Manpower Inc.

Megginson, D., & Garvey, B. 2004. Odysseus, Telemachus and Mentor: stumbling into, searching for and signposting the road to desire. *International Journal of Mentoring and Coaching*. 2(1) : 25-42

O'Dell, C., & Grayson, C. J. 1998. *If only we knew what we know*. New York: Free Press.

Ooi, C. 2010. *Surviving the War for Talent in Asia*. Upper Saddle River, New Jersey, United States of America : IBM Press.

Schweyer, A. 2004. *Talent Management Systems: Best Practices in Technology Solutions for Recruitment, Retention and Workforce Planning*. Ontario, Canada : Wiley.

Strack, R., Baier, J., & Fahlander, A. 2008. Managing Demographic Risk. *Harvard Business Review*. 86(2) : 119-128.

Rothwell, W. J. 2011. Integrating Succession Planning and Career Planning. In L. A. Berger, & D. R. Berger, *The Talent Management Handbook* (pp. 119-130). New York, United States of America: McGraw-Hill.

Turner, K., & Makhija, M. 2006. The role of organizational controls in managing knowledge. *Academy of Management Review*. 31 : 197-217.

Appendix

Assessing Individual Potential
for Promotion Approaches

- *Global manager ratings*. Managers rate the promotability of individuals on special forms or on performance reviews
- *Manager ratings with criteria*. Managers are invited to rate the promotability of individuals against the competencies and behaviors required at higher level on the organization chart.
- *360-degree assessment*. Individuals are rated by a superior, peers, and subordinates on competencies and behaviors required at a high levels of responsibility

- *Assessment centers.* Individuals are subjected to simulated challenges like those faced at higher levels of responsibility and are rated by trained people at or above the targeted levels.
- *Psychological tests.* Individuals are rated using robust, five-factor personality tests.
- *Portfolio assessment.* Individuals are invited to supply work samples like those prepared at higher levels of responsibility, and the samples are ‘graded’ against measurable standards prepared in advance.
- *Step-up assignments.* Workers are invited to assume responsibility for a duty normally carried out by a superior; the workers are then coached and rated by that superior.
- *Internal and external rotations.* Workers are rotated temporarily to see how they could perform at a higher level of responsibility. Rotation may be inside the organization or else to nonprofit or community organizations. Ratings are used to assess potential.
- *Realistic job previews.* The immediate reports of supervisors are invited to rotate into the job of their boss while he or she is on vacation or out sick. A review is performed upon the boss’s return to assess how well the worker performed the job and to pinpoint areas needed for future development.