

Finding Components of Talent Management System

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Abstract

A system for managing talent has been shown to be a primary driver for the success of human resource management. After reviewing literature, it was found that an effective way to develop a talent management system was to identify its basic components. This study therefore aims to find certainty the components of talent management system in organizations. In order to ascertain these components, the literature review from secondary data were utilized. A criterion of choosing literature are inclusion and exclusion. The articles selected must be secondary literature which directly concerned talent management, human capital, and strategic human resource management from academic and electronic database. A total of 23 publications from 2009 until present were found useful to the study. The study is shown that the components of the talent management system is the integrated system using the process of talent management including eight components: talent identification, talent recruitment, talent selection, talent development, talent retention, talent compensation management, talent performance management and talent succession planning. The proposed components identified should be confirmed through empirical research in a quantitative approach to develop the field of talent management.

Keywords: Talent Management; Human Capital; Strategic Human Resource Management

Introduction

Talent Management System (TMS) is a primary driver for successfully managing human resources. It is a contributing factor in the success of organizations that have been approved by many experts (Shafieian, 2014). As a result, it must be worked into a business strategy and implemented in daily processes throughout an organization as a whole (Jothibasu, 2015). Nowadays talent management continues to top the list of the 22 critical topics in HR (The Boston Consulting Group and the World Federation of People Management Association, 2014).

It was found that an effective way to develop TMS was to identify its basic components. Therefore, identifying the components of TMS can be described as one of the important issues discussed in the field of managing organizations (Jothibasu, 2015). However, a start in implementing TMS was made even though the academic community has been slow in addressing theoretical aspects on TMS (Zamou, 2014). Consequently, it discovered the components of TMS from various literature are still different. And in fact, the components of TMS and their processes are still vague. There should be further research about the components of TMS (Brooke et al., 2012) because the studies on TMS have not been concluded (Rao, 2014).

Objectives

The purpose of this study therefore aims to find certainty the components of TMS in organizations. From here, a research question was developed: “What are the components of talent management system in organizations?”

Materials and Methods

From the research question “What are the components of talent management system (TMS) in organizations?” A research method was devised through a review of literature. The reasons for choosing a literature review as an instrument was because it allowed to determine the effective component of TMS in organizations based on existing problems and previous results in published literature. Conducting a literature review in this study

have been considered in terms of the following.

A criterion of choosing literature are inclusion and exclusion. The articles selected must be secondary literature (research articles and academic articles with full paper, and textbooks of famous authors in the field) which directly concerned talent management, human capital, and strategic human resource management. In contrast, the articles unselected must be are articles without study of talent management, human capital, and strategic human resource management which are not fully published or only abstract is available. This review led to search secondary literature from academic database such as ERIC, ELSEVIER, ScienceDirect, DOAJ, Google Scholar and also electronic database. Key words included talent management, human capital, and strategic human resource management. A total of 23 publications from 2009 until present were found useful to the study.

Results

Various researchers have offered the definitions of talent management system in a process way. (Khatri et al., 2010; Tepwan, 2011). TMS is as an integrated process of human capital management that exhibit high performance and high potential for the success of human resource management in organizations. From the literature reviews, we have identified eight components of the TMS which are summarily presented below:

Talent Identification

Talent identification is the searching and defining of the talent characteristics of each organization in key positions that effect organizational success. So, organizations can identify the talent characteristics model from the old talent employee and/ or build a new talent characteristics model.

Talent identification is a fairly new concept. Modern studies on talent management have revealed that approach for talent identification is of utmost importance for superior performance in management (Thakur, 2015). Talent identification is the first stage in any strategic TMS that helps to find qualified

talent to be the organizational talent model for key positions that effect the organizational success such as a top level leader and mid-level leader (Collings and Mellahi, 2009; Hajimirarab et al., 2011; Beheshtifar et al., 2012). Talent identification must follow organizational strategies and always adapt to achieve the goals (Tepwan, 2012).

Human resource managers state that they focus on knowledge and skills identification of all talented-employees. In addition, the talent identification develops into a challenging issue of the recruitment process which is a next component of TMS.

Talent Recruitment

Talent recruitment is the process to get the qualified talent applicant in a key position. This means organizations must have a strategic plan in talent recruitment in the internal organization, motivate internal employees to help seek talent, external recruitment and use the merit system method for recruiting talents.

Talent recruitment is a stage of TMS. The recruitment of talented individuals is critical for organizations' success. Recruiting employees can be a challenging task (Breaugh, 2009). This stage includes all issues related to individual with high-level skills: what people does the organization need to invest in? How should the organization plan for recruitment at determined positions? (Beheshtifar et al., 2012). As sources of talent recruitment an organization uses its own specialized sites, attends the job fair "Top Employers", and now uses recruitment agencies and services. So that, to recruit the best talent, the organizations must consider recruitment as a marketing function and the candidate as a customer (Florea, 2011).

Talented individuals should be recruited on the basis of careful and systematic screening. One critical theme during this process is to ensure that no talented employees are overlooked for the benefit of the whole organization. Talent recruitment is an essential and difficult activity, which has an important influence over the whole activity in every organization. Because of the merit system principles are especially relevant to talent recruitment, talented employees should be recruited based on appropriate merit and background. Thus,

organization needs the right people to be engaged in making the right contributions. Managers and HR staff should be train on the merit system principles,

Talent Selection

Talent selection is the process of choosing an applicant that was selected from the talent recruitment stage to identify a strong talented person to be in a talent pool.

Talent pool is a group of people ready for responsibilities. People who are placed in a talent pool may appear with different and various abilities. (Beheshtifar et al., 2012). Talent selection and talent recruitment are complimentary of each other. On the one hand, external resources must be congruent with organizational policy and strategy, using previous specific competencies. On the other hand, internal selection can be considered from performance appraisal (Tepwan, 2011). Talent selection process has been very systematic in several organizations. The selected tests must be reliable, valid, objective, and should be applied in correct norms (Thakur, 2015).

Talent pools can be separated into two groups: an administrative talent pool, and professional or technical talent pool. Organization should set a specific selection process for talent as a confirmation, after that, the selected person placed into a talent pool to leverage their entire talent pool in order to succeed in the long term.

Talent Development

Talent development is the co-responsibility between employee and employer in preparing employee's knowledge, skill, behavior, and characteristics that will affect the success in the present and the future. As a result, HR in organizations should have the skills and capabilities to grow people in their jobs, and managers consistently provide developmental feedback to support and encourage employee development.

Human resource managers pay attention to employee development and training (ADP Research Institute, 2011). They apply the same individual development process to everyone in the organization, but accelerate the process for employees with higher potentials. Therefore talent development's

focus is on developing high potentials or talents more quickly than others (Kehinde, 2012) and has to prepare talented-employees to compete, to grow, to innovate and to develop themselves (Zamcu, 2014).

Developing talents can involve activities such as development and training, coaching and mentoring, and performance management. In most organizations, the responsibility for employee development is shared between employees and administrators. Organization should develop talent to enhance performance in current positions as well as readiness for transition to the next level.

Talent Retention

Talent retention is the organizational effort to retain talent using financial incentives, an organizational incentive, and psychological incentives to increase talent satisfaction and employee engagement that support still working in a organization.

Talent retention is a key problem for top executives worldwide when talented employees accept better offers from others organizations (PageUp People, 2012). Talent retention is particularly pertinent in skills shortages (McShane and Glinow, 2009). It is a process in which the employees are encouraged to remain with the organization for the maximum period of time or until the completion of a project. Employee retention is beneficial for the organization. Therefore, it is important for employers through effective employee retention strategies to create and foster an environment that encourages current employees to stay. Retention of key employees is critical to the long-term health and success of any organization (Singh and Dixit, 2011).

Talent retention should include a career plan for each employee, several remuneration packages, professional development opportunities, training programs, and flexibility.

Talent Compensation Management

Talent compensation management is the motivational incentive for the talent creation contributions of organization through consideration of pay levels compared with the job market, and is clearly different between talented and general employee, and pay for performance.

Compensation management is a technical human resource management which is the delivery of human resource basics. Compensation provides motivation – to encourage talented-employees for engaging in effective decision making in a variety of environmental contingencies. Compensation management is treated as very much part of a human resource management approach to managing talent (Armstrong, 2009).

Compensation for talent should be fairness, but can be extremely competitive in the job market in terms of performance pay. Talent compensation management must be linked to business strategies and (short-term, medium-term and long-term) goals. To have a truly high performance workforce, accountability for results and opportunities for reward and advancement must be clearly understood by administrators. Leaders and managers play a key role in connecting both of them. Thus, human resource managers should pay attention to talent compensation management.

Talent Performance Management

Talent performance management is the integrated activity that gives setting a clear goal and is consistent with an organizational goal, feedback, and reward system to motivate talent for effective talent performance.

As such, performance management is the main duty of HR to support continuous talent development (ADP Research Institute, 2011) and focus on successful HR strategy (Wellins et al., 2009). Performance Management is related to talent compensation management and pay for performance (Tepwan, 2011). This means that the main responsibility in mentoring their employee performance falls on the HR manager.

Performance management processes provide for constructive feedback and result for performance improvement, learning and individual development. There can be a positive relationship between rewards and performance. The improvement of talent performance management processes so that they provide better support for the development of a performance and more clearly development needs.

Talent Succession Planning

Talent succession planning is the long-term operation about identifying and developing talent for a key organizational role success in the future.

Talent management has focused on talent succession management to create a talent pool for being an administrator in the future. Moreover, Armstrong (2009) identified it is the process of assessing and auditing the talent in the organization in order to answer three fundamental questions: (1) Are there enough potential successors available? (2) Are they good enough? (3) Do they have the right skills and competencies for the future?" There is a research that showed that talent succession management has a key role in talent management (ADP Research Institute, 2011) by helping organizations in several different ways, for example, it ensures that top-level managerial talent is available and provides a set of development experiences (Noe et al., 2010). We can therefore say that talent succession management is the process that supports the other processes in TMS.

Talent succession planning is the important aspect of TMS. It takes place to ensure that the organization has the managers it requires to meet future business needs. There is the more general human resource planning perspective which claims talent management is about having the right people matched to the right jobs at the right time, and doing the right things.

Conclusion and Discussion

The success of organizations' human resource strategies depend on talent management system (TMS). There are existing problems of TMS and previous results indicate that organizations are struggling to manage talent successfully. It was found that an effective way to create TMS was to find its basic components. This research therefore aims to find certainty the components of TMS in organizations. So in order to achieve this study, literature review was utilized from secondary data. Based on this analysis, it can be hypothesized that the components of the TMS is an integrated system using the process of talent management that includes eight

components: talent identification, talent recruitment, talent selection, talent development, talent retention, talent compensation management, talent performance management and talent succession planning (Figure 1).

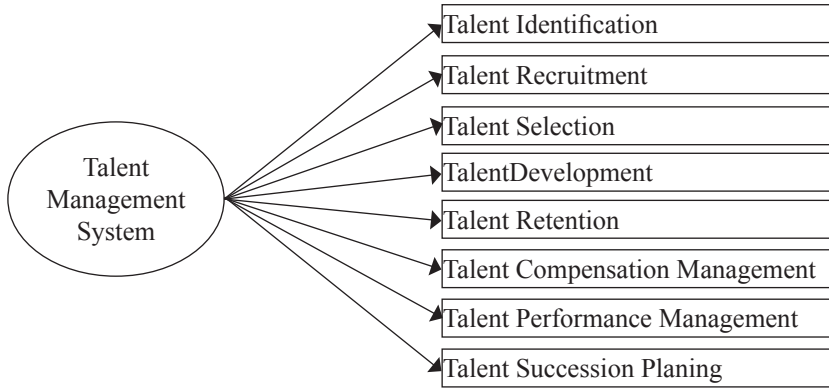


Figure 1 The Components of Talent Management System (TMS)

Therefore the components of TMS is the identification, recruitment, selection, development, retention, compensation management, performance management and succession planning of those individuals who are of particular value to an organization. This study hopes to contribute for determining the components of TMS for organizations in Thailand, solving talent management problem, contributing HRM concept and human capital theory. Because of TMS is the vehicle to move the organization where it wants to be, it can make possible success for the organization to grow and survive in the current competitive. Consequently, the organization have to concentrate on the components of TMS for improving the performance on global business environment.

In practice, the system of talent management will become a vital instrument in the field of human resources management in an organization in the near future. The organizations should consider it as a useful instrument of systematic work with talented individuals. As such, for Further Research, the proposed components identified should be confirmed through empirical research in a quantitative approach to further develop the field of talent management.

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