Approaches To Managing Talent In The Times Of Uncertainty

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ABSTRACT

If there's one thing businesses don't like, its uncertainty. A major challenge for the organizations is to deal this uncertain economy strategically. When the organizations start facing the unexpected attacks of adversaries due to the risks involved in fluctuating financial markets, project failures, legal liabilities, credit risk, accidents, natural causes the organizations shift their focus from their existing talent towards making changes into their lifeless resources, thinking it to be the least important area of concern. This is one of the biggest mistakes we see organizations make in their approach to human capital management which lead the organizations to face potentially serious consequences. This paper discusses the importance of Talent management and how a balance could be maintained by the organizations in times of uncertainty to make tough, data-driven decisions without losing sight of the emotions and concerns of employees.  

"Many employers lurched from a panic over shortfalls of talent just a few years ago to a surplus of talent" - Peter Cappelli

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unexpected attacks of adversaries due to the risks involved in fluctuating financial markets, project failures, legal liabilities, credit risk, accidents, natural causes the organizations shift their focus from their existing talent towards making changes into their lifeless resources, thinking it to be the least important area of concern. Are the organizations right on their part? The answer is an obvious NO.

This is one of the biggest mistakes we see organizations make in their approach to human capital management which lead the organizations to face potentially serious consequences. Talent management is a professional term that gained its popularity in the late nineties. We can say that both Talent Management and uncertainty arrived together. At times most organizations find it much more difficult to deal and endure ambiguity of focus than to craft development programs to prepare people in the organization for advancement in their firm. To master the uncertainty the thumb rule is winning through managing with existing workforce talent strategically.

Talent management is an essential element of any strategic human capital management program that simply cannot be overlooked especially in the times of uncertainty. Talent management is a forward looking process which encompasses the development of individuals and organizations as a whole to avail the competitive advantage over other organizations. It also means the creation and maintenance of a supportive, people oriented organization culture. It includes sourcing, attracting, selecting, training, developing, promoting, and placing employees for optimum results.

According to Talent management Trend Survey in 2007 by BPM Forum, Success Factors & Human Capital Institute 72% respondent said that Talent Management is their focus area while devising any kind of strategy. When talent management is done strategically and executed effectively investments in employee’s development can pay huge dividends that will help out in increasing organization’s viability. Organizations should focus on activities that accelerate development and ensure a deep talent bench.

According to the 2nd Annual NTMN Talent Management report amidst deteriorating global economic conditions, it was found that instead of the reflex corporate reaction to reduce HR and talent budgets that typically accompanies tough times, 75% of the surveyed companies plan to
increase or maintain spending on talent management in 2009. Less than 10% plan any substantial
budget reductions. This data suggests the importance of talent management.

**Strategies for managing talent in the times of uncertainty**

1. **Exchanging Views**

   It is very important for the top management to understand, know and exchange the view points
   of its employees about their work and workplace. This not only helps them to gather the required
   business intelligence about themselves but also this stitch in time will save the nines. It’s very
   critical to communicate the employees about position of the company, the future plans of action
   which motivates the employees with the knowledge that “someone’s driving this ship in the right
direction.” In the recent slowdown when the companies were not able to give away the financial
returns/awards to their employees they stuck to non-financial strategies like communicating with
work force to avert dysfunctional turnover.

2. **Removing the fear of unknown**

   The uncertainty comes with the fear of unknown compelling the main chunk of workforce to
   become defensive and sometimes take drastic steps also. The rumor mills work on full capacities
   churning out all the speculative stuffs. This can be overcome through both formal and informal
   channels. Instilling the sense of job security in the employees is of paramount importance which
   leads to a great sense of empowerment in the employees so that they start working whole
heartedly for upliftment of the firm from the time of uncertainty.

3. **Encourage creativity**

   Generally, we have plentiful of talent to pinpoint the problem areas and discuss them at length
   but no one tries to come out of it and find the solution but it should not be forgotten that
   creativity is integral to the changing times which helps an organization to come up from the
times of uncertainty. Such things do not come suddenly, therefore in today’s times it should
become a part of the organization’s culture. Organizations should encourage the employees to be
creative thinkers which would lead improved employee morale, determination to be with the
organisation even in the tougher times. The organization should not try to impose its decisions over the employees as it would lead to killing of creativity of its employees and no organisation can survive without regular influx of new ideas. Jagdish Khattar\textsuperscript{3}, formerly of Maruti Udyog (Maruti Suzuki) offered advice to his fellow business men, “Don’t come with your fixed views”, He said “People within the company: throw issues to them, let them examine and come back to you with solutions.” It is important for the organizations to engage its younger employees too for generation of new ideas e.g. Vineet Nayar\textsuperscript{4}, CEO,HCL believes in pulling together the groups of young employees to work on a theme which would lead to reenergize the company signaling both new way of operating in the product market and a new way of managing internally.

4. **Imparting training**

We need to challenge the notion that investing in training is a wastage of resources rather the organizations should understand the fact that training when tailored to needs of individual team member can reap significant return on investment. An analysis of the survey data found that companies whose talent management programs are aligned with their business strategy deliver a return on investment or say return on expectations (as measured by return on common equity, or ROE) that is, on average, 20% higher over a five-year period than companies without such alignment. Among companies that integrate key elements of their talent management programs, the results are even more dramatic: ROE over a five-year period averages 38% higher than among those who do not. By providing training it becomes a win-win situation for both the organization and the team members to develop them selves and on the other hand team performance is improved thereby increasing the chance of retention of the employees by emotionally and ethically binding them with the organization. The employees enjoying the feeling of personal growth and satisfaction that comes from the opportunity to develop their skills and better contribute to their team. Training is an essential part of Talent management process that helps to establish a better linkage between individuals' efforts and business goals thereby designed to ensure the health and vitality of the organization for years to come. Examples of companies implementing the talent marketplace strategy and reaping great Return on Investment are IBM and American Express.
5. Integrate it

Line and staffs both have the equal responsibility of nurturing talent. Whenever we think of the term talent management the picture strikes of senior management only whereas in real sense talent management should be measured on how well we tap the skills and potentials of employees at each and every level. The organizations should strike a balance between integrating the talent of all levels of employees, which can help an organization a lot in transcending from the situation of uncertainty. We cannot forget the contributions of Larsen & Toubro Ltd in the area of Talent Management wherein it focused upon providing training and development to its engineers helping to develop good leaders. L&T is one of the few companies in India which laid emphasis on grassroots talent management as an essential corporate philosophy.

6. Regularly update your record

Many companies lack accurate employee data. In a survey done by Earnst & Young only about one-third of respondents (30%) said that their companies’ employee data was accurate and updated globally; 31% said either that their companies lacked accurate employee information or that they themselves knew nothing about corporate employee data programs. It has been seen that HR even do not update their record even if the employees move out this gives a incorrect picture to the top management who may like to take any strategic decision on the basis of such data.

7. Redesign the roles

Talent means skills, potential, knowledge, experience, and personal traits (demonstrated through defined behaviors) which a person gives to the different roles it plays in the organization. The individual should be given enough opportunities to showcase their talents. Task identity and task significance are critical for every job/role in the organization. Therefore it is imperative for the company to rewrite the roles and responsibilities at times of uncertainty or every time a major strategy is devised to see that there is no ambiguity in the role. New strategy means demands for new opportunities while older roles and responsibilities would lead to frustration and lower performance.
8. Money ‘the big honey’

Organisation should become employer of choice rather than employer by compulsion. It should try to acquire talent globally and offer it the best value. Out do the competitors. Give your employees your best so that they give you the best.

Conclusion

Since, most of the organizations fail to focus on their talent force they often end up in pain. During the times of uncertainty, a delicate balance should be maintained by the organizations: they need to make tough, data-driven decisions without losing sight of the emotions and concerns of employees. The organizations like Maruti Suzuki, Bangur Cements invested in talent development and had come up from the turmoil of economic downturn. According to 2006 SHRM Talent Management Survey\(^6\) of HR Professionals it was found that

- 53% of organizations had a talent management program
- 76% indicated talent management a major management concern

To come up from uncertainty and to achieve the strategic goals the organizations should accelerate the success factors of talent management activities and achieve good gains. Companies like TATA and BHEL also have put forward beautiful examples by turning the crisis into an opportunity, galvanizing their talent pool towards progressive actions and thereby becoming global business performers.

References


6 [www.shrm.org/surveys](http://www.shrm.org/surveys), accessed as on 08-10-2010.