

# Challenges and trends in the modern talent management

Luba Tomčíková\*

*Prešovská univerzita v Prešove*

*Katedra manažmentu*

*Námestie legionárov 3, 080 01 Prešov, Slovakia*

[luba.tomcikova@unipo.sk](mailto:luba.tomcikova@unipo.sk)

**Abstrakt:** Talent management is linked to culture and people of the organization. People and culture are the heart of the organization for creating the successful talent management strategy. The biggest challenges for the managers to manage talent is not the technical one, it's the cultural one. Companies today face formidable talent challenges. The ability to sustain a steady supply of critical talent is a challenge facing all organizations. The aim of the paper is to define the talent management and human resources management, and analysis of challenges and trends in talent management.

**Kľúčové slová:** human resources managemet, talents, talent management, trends, challenges.

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## 1. Introdukcion

The term "human resources management" (HRM) is used in many different ways and that's why it has different definitions. The term suggests a distinct philosophy regarding people-oriented organizational activities, a philosophy that helps modern businesses more than the classic personnel management did. Human resources management is an ensemble of strategical and operational activities (planning, recruiting and maintaining of employees), as a part of general management. The purpose of human resources management is to create an organizational climate for encouraging staff to achieve the objectives of the company. In the modern society, when people become the most important resource of a company, HRM had to find other theories about employees and their role. More and more, the competitive advantage of an organization is in its own people (Manolescu, 2003). These points of view encourage the idea that HRM is not just a part of the general strategy, staff administration and compensations. HRM has to prepare the employees to compete, to grow, to innovate and to develop themselves. A performing and modern HRM will make not only the difference between success and failure, but also between success and excellence. Talent management has to attract talented employees, specialists and to develop them in order to reach high levels of achievement for the company (Tansley, 2011).

## 2. Human resources management and modern talent management

A main challenge for companies is to keep in touch with changes and to adapt the organization to them. The European labour market is characterized by outsourcing and increasing mobility. General organizational success is given by identifying, recruiting, managing and retaining high performers or talented individuals (Nilsson, Per-Erik, 2012). Talent management is being used since long multinational companies realized that they can have the best infrastructure and substantial financial resources but not only these ones can make the company competitive and adaptable to the changes and competitive (Richbell, et al., 2010). Practically, European companies are having three directions for implementing talent management: talent acquisition, talent development and talent planning. In order to reach our purpose of trying to demonstrate the importance of continuous training for attracting, developing and retaining highly qualified employees, as a good start in talent management implementation, we'll talk about talent development. For talent development, European companies took some measures such as globalizing leadership, encouraging work done "in my own way", but checking the results, mentoring programs, coaching programs, granting scholarships, workshops and personal development, intercultural exchanges between employees. For example, the Coca-Cola Company trained more than 200 managers and more than 80.000 new employees since 2011. As a result of all their talent management efforts, the Coca-Cola Company is recognized as one of the best companies and it is hunted by highly qualified people seeking employment. In this dynamic and competitive business era organizations are facing challenges in talent management. Talent management of talented worker is becoming of great importance for the organizations which are working on global level. The demand for key position talented employees is high because those are the persons who will steer the organization and will be responsible to take the organization towards the peak of success, this is the reason organizations are in a state of fight for the best people. Talent management practice allows the company to attract and retain the most talented employees. Talent management according to Kehinde (2012) means:

- efficiently planning of employee necessity by analyzing the future projects, the needs of the market and constantly having qualified candidates,
- correct recruiting and selection, maintaining the talented candidates,
- rapid integration of new employees in order to reach productivity in a short time,
- constant evaluation of recruiting and selection processes – talented employees leaving from company, talented employees not achieving performance,
- employees development by training and encouraging continuous training for improving skills and knowledge,
- establishing efficient plans for succession and replacement,
- establishing clear policies for intern recruiting,
- motivation of talented employees and creating a brand and an excellent image of the company for existing employees and for the future ones.

Talent management has become a challenge to all the organizations in a global context irrespective of the country (Gardner, 2002). Furthermore the anxiety for the scarcity of the talent is a universal issue. All organizations around the globe are competing for the same talent. Global integration trend show the standardization in talent recruitment, management and development to make sure their competitive advantage in the market. Therefore, organizations are adopting best global and local talent management practices (Stahl *et al.*, 2007). There are several benefits of talent management such as employee engagement, retention of employee, increased productivity, culture of excellence and much more (Ballesteros and Inmaculada, 2010). Organization success with the help of talent management is anchored in three factors; these factors are development and reward plan, creation of set of career paths for the talented employee, which will help in ensuring the high quality work in the organization which will ultimately result in superior performance (Ballesteros and Inmaculada, 2010). In this dynamic and competitive business era organizations are facing challenges in talent management (Schuler *et al.*, 2011). Talent management of talented worker is becoming of great importance for the organizations which are working on global level. The demand for key position talented employees is high because those are the persons who will steer the organization and will be responsible to take the organization towards the peak of success, this is the reason organizations are in a state of fight for the best people. Coleman (2008) suggested certain factors which can help the successful implementation of talent management strategy. The talent management strategy should be integrated and aligned with organizational strategy and it is also of vital importance to articulate the talent management strategy. The process of talent management is illustrated by the figure 1.

**Figure 1 Practices of talent management**



Source: own processing according to The state of talent management Today’s Challenges, Tomorrow’s Opportunities ([www.shrm.org](http://www.shrm.org))

Talent management is linked to culture and people of the organization. People and culture are the heart of the organization for creating the successful talent management strategy. The biggest challenges for the managers to manage talent is not the technical one, it’s the cultural one. Overcoming the cultural hurdles is a very difficult task especially when holding knowledge is considered more important than sharing it with others (Cole-Gomolski, 2006). The reason of the sentiment is that the nature of the employees is competitive and they are more tending towards holding the knowledge than comparing because sometimes they don’t want others to have the same competencies as they are having.

Talent based theory states that the talent is the only resource which may help in gaining and maintain the competitive advantage, and, therefore organizations must put a focus on attracting and maintaining the talented work force. The role of firms is neither the creation of talent nor the acquisition of talent rather; the firm is considered a as talent integration institute, as the talent resides in the head of individuals and firms only integrates and provides system and structural arrangements for coordination and co-operation between the talented workers.

### 3. Analysis of challenges and trends in talent management

Companies today face formidable talent challenges. The ability to sustain a steady supply of critical talent is a challenge facing all organizations. Among the issues impacting the “next generation” workforce are impending skill

shortages, an increasingly cross-generational and diverse workforce, the need for knowledge transfer from retiring baby boomers, and significant leadership gaps. Intense cost pressure from both traditional and emerging competitors, new markets, and more demanding customers are additional elements that give a new sense of urgency to the concept of talent management. The survey identifies strength and challenges in talent management and key areas of focus for the future. The survey was realized by company The Human Capital Institute, which is a catalyst for innovative new thinking in talent acquisition, development, deployment and new economy leadership. Nearly 700 senior-level talent leaders (both HR and non-HR) participated in the survey. The growing recognition that the quality talent is a sustainable competitive advantage, coupled with a realistic view of the complexity and scope of changes in the global workforce, has led to a renewed focus and urgency around talent management. Based on the survey results were identified top 5 workforce challenges:

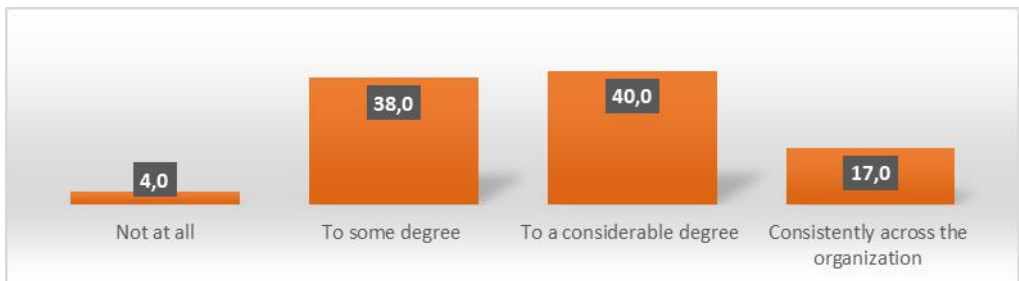
- Attracting and retaining skilled and professional workers,
- Developing manager capability,
- Retaining high performers,
- Developing succession pool depth,
- Addressing shortages of management or leadership talent.

The advances being made in talent management can be attributed to the following:

- **Senior leaders recognize superior talent as a business advantage:** Senior leaders do “get it.” In nine out of ten organizations, they believe superior talent provides a vital competitive advantage. They increasingly recognize the critical linkage between effective talent management and business success.
- **Focus on Talent Management:** The pressure to attract and retain key talent has led organizations to expend increased energy and resources on talent-related initiatives. Significant progress has been made on a variety of talent management fronts: from getting foundational programs in place to creating and deploying new programs, such as high potential development, leadership development, and succession planning. However, most of the progress has been made in the executive ranks, with less focus beyond the highest management levels.
- **Leadership involvement:** The need for more leadership involvement in talent management is driven by the criticality of talent strategy development, articulation, and execution. Some business leaders are starting to play an increasingly visible and active role in talent management, understanding that their practices must be aligned with these talent strategies in order to have a direct impact on workforce engagement and performance.

In selected companies, the alignment and integration of workforce strategies with business strategy underscores the high priority that companies are placing on talent management. Granted, not all organizations have managed to successfully translate leadership’s belief in talent management into concrete actions that are linked to the business. While over three-quarters (78%) of companies report aligning and integrating workforce strategies with their overall business strategy to some or a considerable degree, just 17% say they are doing so consistently across the organization (figure 2).

**Figure 2 Degree of alignment and integration of workforce strategy with business strategy (percentages)**



Source: own processing according to The state of talent management Today’s Challenges, Tomorrow’s Opportunities ([www.shrm.org](http://www.shrm.org))

While most companies have fundamental talent management processes in place, few have managed to consistently execute and integrate such capabilities across the organization. Just 13% report consistent execution of

talent management practices across all regions in which they operate. In addition, little is being done to integrate talent practices with other talent initiatives (e.g., tying rewards to performance). According to survey by The Human Capital Institute, only 21% of companies do so consistently (table 1).

**Table 1 Degree to which organizations execute and align talent practices**

	Not at all	To some degree	To a considerable degree	Consistently across the organization
<b>Execute consistent talent management practices across all regions in which you operate</b>	11%	45%	31%	13%
<b>Integrate talent practices (e.g., rewards are tied to performance; performance is tied to development)</b>	6%	38%	35%	21%

Source: own processing according to The state of talent management Today’s Challenges, Tomorrow’s Opportunities ([www.shrm.org](http://www.shrm.org))

Among the top trends 2019 is according to (Skilbeck, 2019) a shift that puts the employee experience at the centre of the talent management journey. Increasingly, employees are expecting ongoing feedback, personalised benefits and self-directed learning opportunities, while job seekers expect to be treated and marketed to like consumers. To attract and retain talent, we’re seeing organisations creating a consumer-grade experience at work which reflects their attractive, authentic employer brand. Skilbeck (2019) presents the following top trends in talent management:

**1. Employee-led learning:** Organisations are moving away from top-down development frameworks and instead empowering employees to lead their own learning. And employees are taking matters into their own hands when it comes to securing development opportunities. In the last six months, PageUp has seen an 80% increase in employees requesting managerial approval to undertake a learning activity. Rather than adopting a one-size-fits-all approach, organisations are creating personalised learning paths to help develop employees in their current and future roles. This holistic approach creates a constant journey of personal self-improvement, where content is tailored to each employee and based on both personal development needs and interests. Almost 60% of employees want to learn at their own pace and 94% of employees say they would have stayed with their organisation longer if it invested in their career development. If you consider people to be your most valuable asset, then their development should be a top priority. With this in mind, consider how your people like to learn and offer flexible options that let them learn at work, or on the go, when and where it suits them best.

**2. The rise of everyday performance:** The reinvention of performance management is well under way. Instead of the much-dreaded annual performance review, an everyday performance approach looks to provide regular feedback that continually drives performance, supports development and engages individuals. This new performance framework shifts the emphasis from assessing past performance to setting future goals and aligning expectations. The approach is already being widely-adopted: 76% of organisations have moved to a continuous performance management approach, and this trend is expected to accelerate, underpinned by collaborative goal setting, ongoing-feedback and opportunities for personal development. If your organisation is still relying on the traditional sit-down annual review, consider building a feedback loop into daily operations. Avoid a top-down approach to performance management and leverage technology to implement a system of continuous feedback and regular check-ins that builds employee engagement. Equally important is encouraging employees to adopt an everyday approach to performance. Empowering employees to give or request feedback at any time – not just during formal reviews – gives a 360-degree perspective of their performance.

**3. Personalised benefits:** Aligning rewards with employee performance is the most important factor in increasing employee engagement. Instead of static once-off benefits and bonuses that come after the yearly performance review,

high-performing organisations are embracing flexible, personalised benefits that respond to real-time performance milestones. Even though the shift to continuous performance management is well underway, the overwhelming majority of companies (91%) only conduct salary reviews once a year. Compensation still plays a major role in how satisfied and engaged your employees are, but it's not the only benefit that matters to the workforce.

**4. A consumer-grade experience for job seekers:** Like consumers, jobseekers appreciate an application process that is easy, quick and simple. In response we're seeing a trend towards streamlined, mobile-optimised application processes that treat the jobseeker like a consumer. Shorter application forms, autofill and the ability to pull information from social media profiles and the cloud all contribute to an efficient application experience. In the past year 19% of applications were submitted via a mobile device, PageUp research shows. That's up from 15% at the end of 2017, and notably higher than the external benchmark of 16%.

**5. Authentic employer branding:** To attract top talent in a competitive labor market, it's necessary for organisations to cultivate a strong employer brand. Creating an employer brand means articulating what makes your institution a great place to work: whether that's benefits, culture, social responsibility or flexibility. An appealing employer brand is important, but an authentic employer brand is imperative. Seventy-five percent of jobseekers consider an organisation's employer brand before even applying for a role, and over half (52%) visit the company website and social media sites to find out more information. Review sites like GlassDoor and Indeed make it almost impossible for organisations to fabricate their employer brand, which means the employee experience is now a strategic priority for human resources. When articulating your employer brand, consider: What sets your organisation apart from the rest? What are your organisational strengths, defining characteristics, culture and values? Highlight what differentiates your organisation from your competitors. In addition, there are a few factors that make an organisation attractive to applicants across the board. The top five factors that appeal to jobseekers include: Salary and employee benefits, Job security, Work-life balance, Work atmosphere, Development opportunities. Interestingly, organisations rate financial performance and reputation within the top five factors that attract applicants. This misalignment between what candidates want and what employers think they want creates an opportunity – if your organisation performs well in any of the above areas, showcase this as part of your employer brand.

#### 4. Conclusions

Innovative ideas, strong execution, and a foundation of clear metrics can enable many more talent management professionals to create a talent mindset that will prepare their organizations to face the challenges ahead. Talent management is no longer about exhaustive benchmarking studies; it's about scanning the landscape for approaches, steps, and tools being tried and applied, and finding the ones worth looking at more closely. The idea is to spot opportunities to kick-start, supplement, or re-wire current practices by adapting or tailoring aspects or elements of others' talent management systems. In this dynamic and competitive business era organizations are facing challenges in talent management. Talent management of talented worker is becoming of great importance for the organizations which are working on global level. Talent management is the pool of activities which are concerning to attracting, selecting, developing and retaining the best employees in the strategic roles.

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