

Role of Talent Management in influencing Employee Engagement and building Sustainable Competitive Advantage

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Abstract: Talent Management is an effective Human Resource tool for firms in today's competitive era. Employee Engagement is an essential element in talent management which drives towards business excellence. Talent Management and Employee engagement are linked such that Talent Management is vital to engaging employees in the organization. Today firms are facing a challenge of not only retaining talent but also fully engaging them at each stage of their work lives. So it is must for the organizations to focus on Talent Management initiatives which will not only capture employee's mind but also their heart. This is conceptual literature review based paper which explores the strength of talent management in influencing employee engagement for building a sustainable competitive advantage for an organization.

Keywords: - Talent Management, Employee Engagement, Sustainable Competitive Advantage.

I. INTRODUCTION

Successful companies systematically take corrective steps and action to ensure that they have the human resource capability to meet their current and future business requirements. These organizations have made talent management a critical drive for excellence. Effective talent management policies and practices can result in more employee engagement and lower labor turnover and talent retention. Employee engagement has strong resemblance and can be integrated with inclusive talent management initiatives. Today most of the organization facing challenge to ensure that people are happy with both their work and career development opportunities. This is where employee engagement and talent management come together and objectives can be achieved by organizations by focused TM initiatives.

II. LITERATURE REVIEW

Talent management is a professional term that gained popularity in the late 1990s. Talent management is concerned with sourcing talent, integrating and aligning talent, developing talent, engaging and rewarding talent, strategically deploying talent, and assuming there is an adequate talent pipeline to support the business as it moves toward its strategic goals. Many Researchers have provided various definitions of talent from different perspectives definitions adopted are depending upon the strategy that is used by the firm, organization, the environment that firm competes and other elements.

Talent management is a process of recruiting, developing, engaging and managing the most talented employees is very essential for achieving competitive advantage in global market (Brown and Tannock 2009). Ford defined talent as a natural ability which is separate from learned knowledge, or skills & can be further developed & enhanced with practice & learning. Talent is an attribute of individual who have potential to make or impact on organizational performance either through their immediate contribution or in the larger term by demonstrating highest levels of potential (Ford et al.2010). A study conducted by Mitra, Gupta and Shaw, across 2014 organizations they found that skill based pay leads to positive attitude of employees towards job so organization must inculcate there practices which leads to better talent management which also satisfies employees and helps in retention too [Mitra, Gupta, Shaw 2011]. There is chaos in the literature about Employee Engagement and when engagement is talked about it refers to multidimensional concepts that involve some kind of two-way interaction between the employee and organization. An engaged employee extends themselves to meet the organization's needs, take initiative, is proactive, reinforces and supports the organization's culture and values of the organization, stay focused and vigilant and believes he/she can make differences. (Mackey, 2006). Kahn (1990) defined employee engagement as 'the harnessing of organization members' selves to their work roles. Most often employee engagement has been defined as emotional and intellectual commitment to the organization (Baumruk 2004; Richman 2006; and Shaw 2005) or the amount of discretionary effort exhibited by employee in their job (Frank et al.2004). Robinson et al. (2004) defined engagement similar

to the established constructs such as ‘organizational commitment’ and ‘organizational citizenship. It is a desirable condition, has an organizational purpose, and connotes involvement, commitment, passion, enthusiasm, focused effort, and energy, so it has both attitudinal and behavioral components (Erickson, 2005). Kahn (1990) proposed that high levels of engagement lead to both positive outcomes for individuals as well as positive organizational –level outcomes. Greenberg (2004) says that employee engagement is critical to any organization that seeks to retain and increase its level of performance.

III. OBJECTIVES OF THE STUDY

1. To Study the importance of Talent Management and Employee Engagement.
2. To identify Talent Management drivers in influencing Employee Engagement and building sustainable competitive advantage.

IV. RESEARCH DESIGN

This is a conceptual and Literature review based paper .Data was collected from secondary source by review of previous research papers and thesis, Articles, Books, Magazines, Reports and Websites.

V. RELATIONSHIP BETWEEN TALENT MANAGEMENT AND EMPLOYEE ENGAGEMENT

Tower Perrin Global Workforce study concluded that engaged employees most likely to remain with organization, effective talent management practices helps to manage human resource result in more engaged employees and lower turnover rate Corporate Leadership Council study found that companies using Talent Management strategies help in Employee Engagement. Engaged employees within an organization helps them to competitive advantage (Corporate Leadership council study, 2004).Employee Engagement is committed to organizational group. Employee Engagement is always fully participative and enthusiastic about assigning job responsibilities and duties. (Falcone, 2006).According to Erickson in the era of globalization firms are facing challenges of attraction, retention and engagement of employees and also scarcity of critical skill talent. (Erickson and Grattan, 2007). Nonexistence of Talent Management leads to poor performance and unhappy staff who do not utilize their full potential and would thus reflect in low talent engagement (Allen, 2008).Talented people feel important about their contribution which they make towards organizational goals and objectives and feel motivated and appreciated. (Davies &

Davies, 2010).According to Piansoongern for effective execution and implementation, organization’s talent management should also contribute to employee engagement. (Piansoongern et al, 2011).Society of HRM reveals that Talent Management enables all categories of employees focused on driving revenue which leads to Employee Engagement, Performance Management and Customer Satisfaction (SHRM, 2012). Thus an effectively implemented Talent strategy enhances Employee engagement which will leads to sustainable competitive advantage for the organization.



Figure5.1: (TM) Talent Management drivers and outcome of Employee Engagement

- Team Work & Collaboration:**
 Team work is key component of employee engagement, and by focusing on diversity of team members we can create environment of true collaboration and cooperation which ultimate competitive advantage for any firm. .
- Career Development**
 Career development is important for companies to create and sustain a continuous learning environment .Clearly defined career path is one of the most important factor relating to talent management and employee engagement.
- Leadership Development**
 Employee and leadership development is an important aspect of TM and HR professionals, it is a continuous process, and HR should provide real life experience for the employee to learn how to master a job. It is critical for organizations to establish an organizational focus when setting goals for its learning and development activities. To create an effective talent management process, leadership development program that includes 360-degree feedback should be integrated to HR system.
- Empowerment**
 An empowered workforce is more engaged and aligned with organization business goals which also contribute to greater talent readiness and succession planning.
- Performance Management**

Performance review is core to TM as it gives insights for reward system, succession plans and staff development. It also leads to evaluate competencies of man power and provides feedback. Performance and career management helps to manage the talent and interests of employees of organization. This will also lead to make use of the potential of employees at the highest level.

• Compensation & Benefits

Good compensation package is important in retaining high performance and engaging talent. A salary offered to an employee should be not only being viewed as a sum of money but as package of remuneration in order for payment to serve as retention factor.

• Rewards & Recognition

Compensation and rewards considered as motivational factor Organization must have competitive compensation and reward mechanism to attract the right people for the right job. This is one of the techniques to attract, engage and retain t talent.

• Alignment with strategy

Aligning individual goals with corporate strategy not only provide opportunities for employees to connect with the company but also integrates central goal of the company. Thus aligning talent management drivers with corporate strategy is a win-win.

VI. DISCUSSIONS AND FINDINGS

According to Grossman organizations need to rethink their approaches to talent management and how it effects on employee engagement (Grossman, 2002). According to Glen & Lockwood, effective employee engagement leads to satisfactory environment, leadership & development, rewards & recognition in their talent management program (Glen 2006, Lockwood 2007). Yapp also stated that firms that can apply fully engage their employees through effective talent management practices which will also create a competitive advantage (Yapp, 2009). Piansoongern observed that managerial support is the vital predictor of talent management strategy in engaging management (Piansoongern et al, 2011). Ellehuus stated that role of manager is a key component to engage employee and managers are also important part in practicing talent management and retaining employees (Ellehuus, 2012). According to Altinoz M. Cakiroghi D. and Cap S. there is significant impact at talent management on organizational commitment. Talent management increases employee job satisfaction and commitment towards organization. (Altinoz M. Cakiroghi D 2012). Talent management acts as an important technique for organizational excellence to survive in global market which enable them

sustainable competitive advantage (AlAriss, Cascio & Paauwe 2014).

If proactive approach is imbibed in implementing talent management practices to engage employees and level of engagement across the organization increases then there is likely to be increase in the quality and quantity of talent available to the organization. Thus an effectively implemented Talent management initiative enhances Employee engagement which will leads to sustainable competitive advantage for the organization.

VII. CONCLUSION

An effectively implemented talent strategy enhances Employee Engagement which is related to better organizational performance .Thus, in order to maximize the benefit of Employee engagement and Talent Management; organizations should create Engagement culture which also contributes to development of talent culture and helps in building sustainable competitive advantage for the firm. So the organizations must focus on how to align the two critical factors, Talent Management and employee Engagement to maximize the effectiveness.

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