

Talent Management: A Complementary Process for Succession Planning

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Abstract: Nowadays, talent management has become an essential priority for modern organizations, and organization success is directly related to talent that is used. The aim of this paper is to focus on the importance of talent management in organizations, and study its relationship with succession planning. With an overview of journals and books and related reports, documents show that talent management is a complementary, effective process for succession planning. Organizations focus on talent management causes them to successfully attract, retain and develop their essential talents. In other words, talent management is a subsidiary of succession planning, and succession planning is a subsidiary of human resource planning. In spite of a greater need for scientific researchers, organizations must allocate sufficient resources and specific attention to talent management for their survival.

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1. Introduction

While in the past, manpower faced the problem of shortage occupation, modern organizations are dealing with talent scarcity, and demand for talents is much higher (D'Amato & Herzfeldt, 2008). Hence, talent pool and talent management from countries and organizations have been targeted, and economists have also proven that finding talented people, as one of the world's most valuable products, has been very difficult. Studies show that the concept of talent for any organization is unique (Lutbish & Smith, 2007). Based on experience gained, talent is defined, and through the ability to learn skills that will prove the person comes on complex tasks (Brusman, 2001). In other words, talent can be considered as a complex combination of skills, knowledge, cognitive ability, and potential employees. Based on high-performance and high-ability, talent is defined, and organizations set their priorities based on these two dimensions: some organizations have more emphasis on talent diagnosed in talent management programs, whereas some talent management approaches are associated with identification, tracing and keeping the best individuals. By examining the structure of talent, its strategies can be summarized in the following:

1. Defining the framework of capabilities associated with the organization development for top/middle managers;
2. Deep talent evaluation based on framework of capabilities for existing staff and new recruits; and

3. Identifying vital positions according to organization strategies (Sharma & Bhatnagar, 2009).

Considering the position of talent management in modern organizations, the purpose of this study is to focus on the importance of talent management as complementary to succession planning.

2. Talent management

The definition of talent management is difficult because it is a complicated task that usually is used within the strategy of human resources. Talent management is the process of attracting, transferring, developing, and strategies that are related to those activities in an organization (Rothwell, 2005), and it is a process and opportunity to help management provide for individuals in the organization as individuals with talent (Blass, 2007). Today, talent management as a broader concept is known in order to attract, retain, and develop talents (D'Annunzio-Green, 2008), and it is important for two reasons: first, talent management will ensure that organization can successfully attract and maintain necessary talent. The second reason is talent management should be done in a field that employees are working within (Hughes & Rog, 2008). According to McGee (2007), effective work with talented people is based on talent management strategy that is derived from the organization strategy. Talent management strategy is trying to ensure that existing talented, worthy, and

committed people are contributing in achieving the existing and future needs of organization, and this procedure is called the talent pool (Horvathova, 2009). Talent pool is a group of people ready for responsibilities. People who are placed in a talent pool may appear with various abilities. An approach is that managers are asked to evaluate and select individuals. Another approach is using objective assessment methods such as multilateral evaluation to identify individuals who likely would be useful for future responsibilities (Rothwell, 2006). Developed talent pool is introduced to replace traditional succession planning. In this system, managers don't worry about who helps them. CEOs, regardless of daily work have more time to track skills of pool members—that is, develop future's managers. The size of developed talent pool depends on the number of executive position, and the ability of an organization to develop. In an average organization, there may be one pool, but in large organizations may be two pools- one in the senior management levels and the other in middle management levels. Number of pools often reflects the organizing of organization (Byham, 2001).

Talent management occurs in several forms and sizes. One of the most effective results in this area is the scope of talent management that could be coding and planning strategic priority and vision of talent management approach. Strategic vision will shape the organization in which the talent management system is examined and performed. This vision needs to be understood and be supported from people who run the system; otherwise, the process of talent management can be different people distort or be neutral (Devine & Powell, 2008). Generally two options for strategic management exist. These options include:

1. **Aligning People with Roles.** It is assumed here that there are acceptable roles, and the purpose is matching people with roles. Four main factors in the performance of people in this area are:
 - a) Selection, recruitment, appointment and promotion;
 - b) Learning and development;
 - c) Succession planning; and
 - d) Career instructions.
2. **Aligning Roles with People.** This strategic area based on attracting individuals as fixed and adapted factor in organization tissue. Relevant factors in this area include:
 - a) Organization design;
 - b) Role design;
 - c) Rewards;
 - d) Work environment; and

- e) Working method (Cunningham, 2007).

In another study, it has been identified six strategic visions for shaping the organization's approach to talent management which include:

Competitive vision: this vision is based on this idea that talent management must identify the talents and their demands should be noticed, otherwise these people are kidnapped by competitors. This is a contractive state in organization that there is no formal process for talent management—talent management effectively works as a maintenance strategy. Studies show that professional services firms and companies with competitive sectors, such as banking and financial affairs, use this strategy.

- a) **Process vision:** This vision based on process that will optimize the performance and is rooted in the idea that future success is based on good talent. Managing and developing talent is a part of the daily process of organization.
- b) **Human resource planning vision:** This vision is similar to process vision, but the orientation of human resources for aligning right people for right jobs at right time and do right things reflected correctly. HR teams often control and monitor the process of talent management. This vision is done often by companies that have experienced rapid growth.
- c) **Development vision:** This vision concentrate to abilities or talents, and talent management often rapidly get through the development paths.
- d) **Cultural vision:** It includes talent management image as a strong way of thinking, so that vitalizes talent for organizational success.
- e) **Change management vision:** Talent management as a stimulus to change is considered, and could be part of strategic HR for organizational change, perhaps due to a change of ownership or a new set of governmental reforms. Talent management can help to change organizational culture, leadership style and experts and managers capabilities (Devine & Powell, 2008).

Furthermore, talent management development to some extent specifies development paths for potential employees (Wilcox, 2005). An important point to formation of talent management is that this formation is different at organizational levels. At the lower level, no strategy, policy or formal developed activity exist. While at a higher level, talent management strategy was formed and it

is specified through the organization strategy. At this level, individual and group talent is identified (Chartered Institute of Personnel and Development, 2006). Studies show that the talent management system is divided into three main areas: talent recruitment, talent maintenance, and talent development. These areas are described below:

- a) **Talent recruitment:** 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? What kind of talent is needed for organizational development? These questions are only a part of the questions in an organization, while drawing a path of attraction and development of its employees, as most valuable investment should be considered.
- b) **Talent maintenance:** When an organization was successful in recruitment on desired post, they should know what the next step is. At this step, the appropriate skill sets of individual required to locate with job duties. On the other hand, manpower performance should manage to ensure the organization is a path that has the most productivity by HR.
- c) **Talent development:** The final step in this process including issues related to learning and development. In this phase, employees need a transparent and palpable career path. The organization need to more investment on employees, in order to meet future expectations and needs (Tajadin & Muali Taffi, 2009).

Organizations notice to talent management is important, so that they could recruit, maintain and develop their needed talent; or intended to discover talents inside or outside of organizations.

3. Discussions

Succession planning (SP) is one of subsidiaries of HR planning that in which vital positions is specified and it ready employees to qualify for given positions. SP is so named as "Building Bench Strength" (Phillips & Redmon, 2010). Barton and Rouse-Jouns (2007) are summarized the importance of SP in these cases: ensuring to continuance of prepared leaders for key positions; having a systematic process for examining leadership talent; increasing opportunities for talents; participating to organization programs; helping people to identify their career plans within the organization; and developing the strong leadership teams for strategic tasks.

Although there are many models regarding SP, the most common model in this area is provided by Rothwell. Rothwell (2006) suggest nine basic step for effective SP process, which include: identifying managers expectations; drawing a capabilities model; performing multiple assessment; creating performance management system; evaluating talented people; planning a tool for ongoing development; doing development plans; providing bench strength; having individual and organizational accountability; and evaluating the results. With the recognition of SP process, it can be acknowledged that the boundary between talent management and SP is not clear. Like talent management, SP is a complex process that has many layers and levels. Some managers may know talent management equal to SP, and some know it is equal with employment, while others know talent management and leadership development are the same. Lack of connection between SP with talent management can create problems, such as existence of a clear talent management process and an ambiguous SP process. Respectively, talent management can be an effective complementary process for SP or sometimes it could combine SP to leadership process and organization management (Berger & Berger, 2004). Hence, SP is the ultimate goal of talent management. One of the goals of developing management program is creating a talent pool to complete the specific job classes with focusing on individual skills, capabilities, and behaviors. Without developing future managers, it is impossible to creating a SP.

4. Conclusion

Talent management has been major priority for many organizations and success of today's organizations directly linked with used talents. Talent identification and development, which is known as talent management refer to the process by which the organization identifies employees who are capable to play leadership role in future. This approach emphasizes developing talent pools that have high leadership ability. Also, the organization should define a clear vision to talent management and draw a map to integrate technology and processes. On the other hand, organizations should pay attention to all members within organizations for talent management, and put middle managers responsible for recruitment staff. Talent management and SP are dynamic processes, which occur at variable times. SP needs to adapt with other sector of HR management, such as talent management, learning processes, development and performance. Talent management can be an effective, complementary process for SP. Therefore, talent management is a component of SP and organization is seeking to implement SP should

execute talent management in their organization. In other words, these organizations should be able to manage talent supply and demand to achieve optimal performance along organizational goals as a part of SP. Therefore, in today's organization, talent management needs to transform from a support activity to a competitive activity.

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