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TALENT MANAGEMENT: A FUNCTIONAL MODEL FOR STRATEGIC HUMAN RESOURCE MANAGEMENT IN CULTURAL ORGANIZATIONS

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ABSTRACT

Over the past half-century world has been experiencing so drastic changes in culture, economic and industry that it is so hard to find the slightest similarities between the past and the present structure of organizations. Organizations as sign of development in the present century are the firm foundation of such changes; managers, leaders and thinkers in every society or organization coordinate the different parts of them while paving the way for the future and making efficient decisions are considered as their greatest responsibilities. The future is for companies taking advantage of all of their potential and actual resources in dealing with new challenges. If we suggest that developed organizations is the prerequisite for a developed community and they assume real power through skilled human resources as strategic resources then we have to admit that the importance of these valuable and instrumental resources, unfortunately have not been acknowledged in our organizations. The immediate, necessary measures to be taken in the current situation are to make fundamental changes through intuition and discretion organized for implementing in the section of human resources. In other words organizations should find and take advantage of opportunities, relying on their staff's talents. Talent management is one of the new issues in management today which have been well established as an effective tool for developing of human resources in organizations. Talent management system helps organizations by providing practical plans for assessing demands of, recruiting, employing, improving, and motivating and maintaining the human resources, focusing on knowledge management principles. This paper describes the necessity to build an organized talent management system and to develop an effective leadership in cultural organizations besides explaining how leading organizations could creatively nurture and develop talents through perseverance and hardworking while intelligently running such a system.

Keywords: *Talent Management, Succession Management, Succession Planning, Replacement Planning, Leadership Development*

INTRODUCTION

Terminology

Talent: Ed Michaels, Helen Field Jones and Beth Axelrod who work for McKinsey Consulting Co described talent as a selection of a person's abilities in their book titled "War of Talents" (2001). According to this definition talent includes concepts like natural ability, skills, knowledge, intelligence, aptitude, instinct and learning strength. Talent is ability to continually perform above average. Possessing talent in a specific field is usually supposed as abilities above average.

Skills, aptitudes and opportunities are three aspects of talent:

Skill: ability to perform properly acquired through learning or training.

Aptitude: natural ability for exercising skills or executing in especial situations.

Opportunities: talent is revealed through an opportunity.

Talent does not belong to an exclusive group or class, but talent revealing opportunities may be so limited. There are two ways of creating opportunities: first, it is provided by individual attempts to show his/her talents, second, it is provided by those playing a significant role in giving individuals opportunities to show their talents.

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Talent Management: It is fairly hard to give an exhaustive definition of talent management due to complication of definitions and great number of terms and hypotheses proposed by various writers concerning this issue. Talent management has been interpreted as a system for identifying, employing, cultivating, enhancing and preserving talented individuals in order to optimizing the capacity of organization for achieving the business results. Specifically the talent management is a business procedure through which the gap between organization's current talents and required ones is bridged in order respond to prevailing and the future business challenges.

Talent management, talent strategy, succession management, and human resource planning are terms used interchangeably. Looking at these examples respecting staff management procedure in organization:

- Becoming confident of deploying competent individuals in right place and right time.
- Systematic and conscious attempt made by organization in order to get confident about leadership continuity and stability in key moments and appreciating individual progress.
- Supply demand management and circulation of talent through acumen and knowledge of human resource.

The abovementioned definitions are used to describe human resource planning, succession planning and talent management respectively. Each of these terms focuses on effective management of staff as well as hidden, apparent difficulties; talent management basically discusses efficiency of staff's talent.

Talent management refers to all activities and processes relating to senior, key posts bringing lasting competitive advantage to organization and leading to development of high-potential workforce. Organization could create different structure for human source through talent management and appoint competent and committed individual to organizational positions.

Talent management and succession management refer to process in which human talents in the organization identified and held in talent reserve in order to be recruited at key positions in the future, and then talents will be prepared for taking those positions through various two or three-year educational plans.

Succession Management: It involves succession planning and all continuous actions and processes to educate successors over a three-year period. Succession management not only meets the replacement needs today but also has a long-term vision of aptitudes, positions and leadership posts for the future success of organization. Talent management stresses on building up a reserve of nominees having high leadership aptitude.

Succession Planning: It means planning for potential replacements of the current leadership posts. It involves identifying staff that have appropriate qualification to take over current positions or those who are expect to be prepared to occupy said positions in the future or ones anticipated getting ready through developing special competence. Simply put, it means an identifying process through which individuals ready to occupy the current leadership posts are recognized as well as those who have talents to get such jobs in the future, it also involves identifying operational plans to address competency gaps and specify qualification requirements or identifying individuals capable of assuming leadership roles in the future.

Replacement Planning: That is an identifying process to find possible nominees for replacing current leaders. This process is a basis for succession planning and succession management (recognizing who has the necessary qualification to take the place of current leaders in due course).

Talent survey: A meeting organized to discuss the present and the future talented workforce for occupying leadership position. Or in other others identifying process takes place in organization in a structured, quality way through formal group discussion method.

Talent Assessment: That is a process to survey and assess organization staff given their potential abilities in the future, based on factors like their past performance, leadership ability, learning agility, potential to progress, willingness to progress, competence and a selection of skills. It could also be interpreted as process to rank staff organization in a formal, quantitative manner. Assessing staff on the ground on their past performance and future potential abilities.

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Talent development: That is a clearly defined structure of fast developing leadership role. Identifying characteristics related to achieve success at any level or build open, honest relationships with staff so as to assess their potential.

In fact talent management and succession management systems refer to a process through which human talents are identified and developed through various educational plans to assume key jobs and positions in the future. Simply put, talent management makes organization certain about employment of competent, skilled staff in right place in order to achieve expected business results. Talent management, indeed, includes a comprehensive collection of processes to identify, deploy, and manage staff in order to successfully execute business strategy needed for the organization.

History of Talent Management

Talent management is a process that was initiated in 1990s and still undergoing its evolution. Organizations decided to go through the field of talent management and made attempts to maintain their high-potential staff after organization's leaders and managers had become aware of the fact that the capabilities and talents of their staff leading them into success. In a survey conducted by Mckinsey Co it was revealed that more successful companies are in employing, developing and maintaining talented managers, more profitable their business would be, more over they could have more competitive advantages. Talent management is said to be the last wave in the field of human resource management.

Despite popularity and acceptance that talent management has won worldwide, a precise definition is still wanting, like some other processes in the field of human resources, while 50% of questioned organizations undergoing part of talent management processes. Nevertheless Chartered Institute of Personnel and Development (CIPD) described talent as a combination of skills, knowledge, perceptive abilities and high potential and defined talent management as recognizing and focusing on high-potential staff organization.

Successful organizations are seeking to improve their strategies, policies and approaches in a way that could attract, develop and maintain talents essential for economic survival. In order to do so they need to know which kind of talents are wanting in their organization, then identify potential and actual talents in experts, in other words they should be able to manage talents. According to surveys and researches conducted in this field there are numerous approaches to manage talents while none of which is exactly feasible in other organizations. Each organization has different methods and obligations to meet its talent needs in the present and the future and therefore every organizations has to develop its own specific strategies and approaches for talents management.

Talent Management; Importance and Necessity

Talent management importance is increasing nowadays and in provident organizations which create the future in specific, due to growing competitive challenges that cultural organizations have to face with in the future and the necessity to employ more capable and more competent managers to handle those challenges. Talent management study has not been as important in the intelligent eyes of critics as it is at the present time. Today economies are seeking improvement and only flexible, creative and accountable ones can survive as well as those which have realized the importance of talent management systems. In fact they assess talent management plans in addition to develop new activities or redesign the current talent management. Competitive difference in cultural organizations demonstrate the difference in selection, development and maintenance of human resources, since today organizations fully understand the need to recruit the best talents in order to attain success in world complex economy and to survive in business competitive environment. Besides acknowledging the need to employ, develop and keep talents, organizations understand that management is required to get the most out of talents and achieve the best results.

Undoubtedly the present era belongs to organizations and their administrators could achieve the excellence and pioneer the development of those organizations by drawing on greatest power resources which are available for them, namely; logic, knowledge, wisdom and talent. Subjects relating to development and education of human resources received attention in Iranian organization in recent years, namely; identifying and cultivating talents, succession, and future managers etc. Conducting various

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studies and researches is of considerable importance in this field for cultural organizations to simulate and use successful experience of developed organizations.

According to Lewis and Hackman talent management includes three basic concept:

1. Talent management is a group of human resource duties like; employment, selection, education and development (systematic method to execute human resource management duties through flawless performance and wider perspective, and not traditionally).
2. Focusing on anticipating or modeling human resource process in the sphere of organization based on factors like; workforce skills, supply, demand, development and attrition (in this view talent management is all but corresponding to human resource planning).
3. Focusing on talented people regarding their performance and potential.

Talent management is important for two reasons:

First, talent management makes organization certain about successfully attracting required talents and holding them.

Second, talent management could catch staff interest.

Organization managers and leaders should ask themselves following questions while assessing new plans: first fundamental question is that whether your plan components are able to help organization to compete more effectively?

Managers who run an organization in a completely innovative and competitive environment need to know i.e. how leadership development system is actually able to produce and offer goods and services faster and more creatively than other rivals. If a system rewards those who only can anticipate, then those who describe creative results through definition of time perspective and its realization indicating system inabilities. Second question to be asked is that whether leadership development system could reinforce individuals' belief about values and future strategies of organization?

And third question, as mentioned before, is that whether your staff believes in and respect legitimacy of organization leadership plans?

Organization managers should verify the accuracy and validity of these matters though there may be some people pessimist about innovation in new talent development in organization.

Objective of Talent Management

Everyday numerous organizations across the world decide on financial and non-financial investment in order to increase their profits or decrease their costs. Such decisions have their own complexities and are hard to be made especially when they are about employment, promotion or staff development. Talent management pursues various objectives by investing in staff development that is as follow:

- Identifying those ready to assume leadership role.
- Recognizing leaders whose performance is below par.
- Building a reserve of internal talents and connect them to leadership positions (preparing talented staff with multiple skills).
- Identifying, developing and keeping high-potential staffs.
- Enhancing shareholders and customers' perception (some big organizations lose their popularity due to deficiencies in succession and leadership development planning).
- Bringing down cost of external recruitment (high risk of employing outside workforce for leadership positions in organization – losing elites and talented staffs) and familiarity of internal forces with policies, organization culture and communication networks.
- Recognizing developing positions and competency gap in leadership (identifying weaknesses and limits).
- Keeping leading experts (identifying individuals with unique competency that are not easily replaced and planning exclusive development and maintenance program for them).
- Determining the risk of leadership positions being vacant.
- Competitive approach in dealing with leadership development (identifying those who reached their best and gained experience in their current position while it could not raise more challenge to them. After

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identifying these forces Internal recruiting process in new replacements will focus on them through a competitive approach).

No leadership development program can be efficient unless managers provide mechanism through introducing their outstanding talents to new business units. Such programs include three major components illustrated in table. 1. These plans, as it was learned from experiences, should not only be prepared based on useless educational programs because they can become so important, as the main part of organization standard through applying logic and wisdom, that could not be understood and simulated by rivals.

Most companies and organizations developed their leadership development plans over a long period or through talent management programs.

Table 1: ??????

Components	Leadership challenges
Talent identification	Which level of talent is needed and how to find it? How to get together a group of talented staffs?
Talent development	How to extract the best staffs? How to build a high-performance, talent-centered organization?
Talent culture	How to persuade talented staffs? How to be a competent, apt employer in selection?

Each component is defined as follow:

Talent Identification: There are processes and activities to define and discover talent resources. Employing people could not necessarily guarantee having competent, interested, qualified and faithful staffs that are committed to values, ideas and duties of organization. Organizations have to focus on requirements bringing them prosperity and success in specific role they play in their own sphere of activity. Organizations, in highly dynamic environment, must be progressive and proactive and able to identify those who can bring them success in the future. Therefore the best organizations are ones who are provident and able to determine what skills, attitudes and behavior to expect from their talented staffs. We have to know those who have potential to take over leadership position, are dependent on organization need and nature of business.

Various definitions of talent features are classified into three categories:

I. Attitude

- Ability to perceive big image and to relate it.
- Complete mastery over its own position and searching for new challenge quickly.
- Showing creativity along with self-motivation and progressiveness.
- Mental curiosity, with capacity and flexibility to think differently.
- Problem-solving ability.

II. Cooperation

- Self-confidence and reputation
- Empathy and ability to learn from others
- Induction of others and respecting them.
- Desire to make a difference.

III. Flexibility

- Being flexible and learned how to accomplish a task.

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- Passionately involving in an activity.
- Dealing with disorders and facing ambiguity.
- Taking advantage of opportunities.

Talent Development: Learning and skills development are special aptitudes of a talent-centered organization. An efficient organization controls a self-regulatory process for professional learning of all of its staffs, which is in connection with processes like performance management. All of these processes should work in tandem i.e. effective performance management and professional review should be the basis for learning and developing staffs. It is essential to note that:

- What is appropriate and suitable for cultivating all staffs?
- Where is the right place to employ the right talent?
- Additionally, various learning experiences are combined with other human resource processes.

Professional learning must:

- Be Determined and related to strategic targets.
- Have a strong effect.

Thorne and Pellent (2007) argue that organization must learn attitude and education from each other at any costs.

Processes should be able to identify needs recognize and individual talents, empower leaders to draw up possible plans inside organization and find likely supports. When considering talent development it is important to assign priority to resource of positions and exceptional talents. It is of great importance to contemplate how to provide an ideal environment for developing talent.

Therefore it is crucial to adjust manner of individual learning to need of talented ones and provide a range of various exercises for improving professional learning.

There are some exercises, for all staffs of organization, proven to be more effective to develop and educate talents. Namely;

Couch/Couching and instructing

Sincere observation

Actions leadership

Individual project

Higher competency

Purposive studying

Instruction others

Writing ability

Outgoing travels and meeting

Research projects

Working at mutual environment

Circulation jobs

Active learning

Talent development is defined as follows:

- A clearly defined structure of leadership roles which is developing equally.
- Clarity of characteristics relating to success at any level.
- Steady and continued development of individuals through leadership plan for assuring that preparation for development could be done in due course; this would involve creating opportunity for a talented leader while there are no other welcome internal opportunities.
- Sincere and open communication with individuals for evaluating their potential.
- Leaders should examine developments regularly; predicting becomes hard when they encounter unexpected gap in their knowledge.

Talent Management: Cultivating talent is a provident action which causes organized replacement of key employee. Responsibility, loyalty and survival are not guaranteed but in individual development in order to promotion. Organization should be caution that whether they encourage staffs to “stay” or not.

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Talented staffs must feel worthy and that their presence would make a difference. Acknowledgment and approval have powerful effect on employees; to be acknowledged, recognized and valued are motivating and driving. Opportunities make talented staffs feel motivated and as important as organization. But the future opportunities and positions should be available in due time.

To be a member of a larger organization group would help those people. Cheese *et al.*, (2008) state that motivation, commitment, trust, empathy and inspiration make individual certain about their ability to adjust their experiences to organization.

Organization must:

- Be committed for long-term development.
- Seriously reflecting and attempting for continuous improvement.
- Offer positive feedback, and show interest for new ideas and push them forward.
- Back curiosity in learning and support change.

It is not possible to make a rapid change in culture; essentials could be concentrated on in creating talent culture are as follow:

- All leader commitment. All leaders at any level have to express their support to talent development. Who is a good leader? Drawing up a competitive and organizing model that describes what leader's task is required for positions and what sort of behavior is connected to leadership success.
- Applying various methods for judging leadership potential and developing it so as to proper assessment for announcing and showing competency.
- Setting the strategic goals of the future and aligning it with talent management.
- Determining whether individuals, at leadership level, can assess staffs for promotion while their moralities and values are evaluated as well.

Ed Michaels *et al.*, divide employees into three groups of A, B and C based on their talent and potential. They explain personnel as follows:

Group A: Employees who deliver great performance continually and are among the most talented ones.

Group B: Employees who deliver consistent performance and achieve organization goals.

Group C: Employees who rarely deliver a satisfactory performance.

There may be group D, but such staffs must be fired by now. The goal of organization, according to talent management, is to maximize the talent of group A in a way that does not discourage employees in group B while group C must be trained to improve their job standards.

Ed Michael proposed strategies for managing employees in A, B and C groups. An employee in group C whose performance is poor and is of low potential must be axed from organization. An employee in said group whose performance is poor but is of high potential must be warned about its performance, trained and assigned to more suitable position. Employees in group B must be preserved and developed and finally employees in group A whose performance is mediocre and are of high potential must be educated and encouraged in order to direct their next movement in the organization.

Employees in group A whose performance is convincing must be given appropriate education package as well as more suitable opportunities to demonstrate their talents.

According to traditional reward system all groups of A, B and C probably earning equal income. In such traditional system employees in Group A are disappointed because their talents are not rewarded and employees in group B refuse to deliver their constant performance because they got to know that they receive as much income as those employees in group C whose performance is weak, but employees in group C who are likely to get reward despite their dismal performance not only don't try to break those bad habits but would repeat them again.

Some differences between staffs in A, B and C groups are indicated in the below tale:

Table 2: ??????

Situations	Situation A : Strategic	Situation Supportive	B:	Situation C: Surplus
Factors				
Characteristics	Exerting direct and definite strategic impact, showing wider sphere of individual performance with high-potential	Having strategic recognized supportive situations	Potential impact, through strategic	May doing organization some favor but their strategic impact is little.
Sphere of power	Independent decision-making	Performing within rules		Ineffective in task and inactive
Reward criterion	Performance	Job level		Market fee
Impact on value creation	Trying to create vales through increasing income and decreasing cost	Backing situations	valuable	Without positive impact slightest economic
Consequences of error and mistakes in each A, B and C groups	Increasing costs caused by missed investment opportunities	Leading to lose value besides increasing costs		Not carrying a considerable cost
Consequences of inappropriate employment and deployment	Resulting in high costs due to wrong educational investment	Could easily be compensated through employing and deploying other forces		Would be easily replaced

Conclusion and Recommendations

Some cultural organizations, traditionally and shortsightedly stopped planning and developing human resource leadership; the main reason contributing to this event was failure to understand the necessity of leadership development by those organizations and as the result they would usually face some sort of threats and damages. Cultural organizations failed to successfully develop succession planning, talent management and leadership development would rely on experiences gained through talent and ability analyses and consequently suffer so massive damages that being forced to dissolve their own company or forge a partnership with other companies. Leadership development process must be appropriately connected to organization strategic priorities. Senior managers should also profoundly involve and interfere in finding and developing talented and genius people. Other than that they have to promote unexperienced, inapt and younger managers or employ managers outside organization. Despite abovementioned facts some organization not only don't recognize the importance of adding replacement plans, talent management and effective leadership development to their agenda but also take measures to guarantee the continuation of this situation. Today perceiving the development needs of subordinates constitute a part of managers activities as an international approach to help them broadening new skills and providing them with opportunities to grow and develop individually. Nevertheless it should be noted that talent development plan is nothing but a joint group of available means like creativity techniques, 360-degree feedbacks and internet education online. It is a precise thinking system that must be developed. But time will tell whether employees think about legitimacy of organization leadership programs? They only take plans serious when being assured of the real impact those plans have on business decision-makings. They should also believe in that only fairly competent individuals would be

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employed, selected and promoted in organization and no one earns reward solely based on political loyalties.

Human resource development managers (Organization management levels) are central authorities in talent management system in cultural organizations that facilitate and drive forward talent identification system of staffs.

Attempts must be made at any level of organization to prevent all programs having been wasting costs and time by now and all forces must be determined to work harder to produce knowledge and support individual and organizational development in Iran and to carry out plans and instructions faster.

Some results and values achieved through successful execution of talent management system and succession planning are as follow:

- Reducing the cost of external recruitment for leadership positions by raising possibilities for internal employment through horizontal movements and job promotion.
- Keeping high-potential persons.
- Deploying talents in order to achieve goals.
- Value gained through processes by managers.
- Less time to fill leadership vacancy.
- Making learning curve shorter for new leaders who have been developed and prepared for taking over management positions.
- Conveying this message that organization has a formal process of succession planning to customers, analysts and other beneficiaries.

Generally talent management could be defined as accelerated development of human quotients, namely:

- Learning quotient
- Conceptual quotient
- Relationship quotient
- Action quotient

And in the end useful suggestions are put forward regarding planning and implementing talent management system effectively in cultural organizations; attempts must be made in universities and research institutes to help them discharging their official duties, that is offering education and fostering cultural growth while any unnecessary research projects and training programs should be avoided, therefore investigating on new and practical subjects in various fields such as organization and management is of great importance. Talent management is among the issues that must be deeply established in cultural organizations today, so they can focus their long-term investment on employees who have exceptional talents and are consonant with organization goals. And at last senior administrative managers should have following tips in mind for providing organization requirements in jobs and key, professional responsibilities in the future:

- Rebuilding practical business culture and making serious attempts in all spheres and in talent management in specific.
- Never forget succession planning if there is any.
- Identifying and educating talented, capable forces inside organization to bolster their morale, reserve their talents, polish their skills, and to develop and shape organization culture.
- Intelligently taking advantage of capacities and values of organization
- Coordinating all parts involved in operationalization of talent management.
- Recognizing possible obstacles and difficulties.
- Designing a system to plan, coordinate, guide and control actions.
- Constantly rewarding, assessing and evaluating whole actions and efforts.
- Building a think tank and arranging consultative meetings to make decision and improve talent management process.
- Offering a comprehensive look towards talent management issue.
- Having realistic and sensible view.

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- Providing examples and documentations.
- Making required infrastructures.
- Noting that human resource management will not suffice to deal with this issue.
- It requires time, commitment and senior leadership.
- It demands effective leadership, fairness, strategy and competitiveness.

In short, cultural organizations divide staffs into three groups according to their capabilities while rating them:

First group: Those who are able to develop and to take heavier responsibilities. This group should be provided with new, important job opportunities.

Second group: Those who are unable to promote but can take more responsibilities at their current positions. They should be offered more worthwhile jobs at their current level.

Third group: Those who do their jobs well. But they have reached maximum efficiency. They should be applied as instructor to transmit their experiences to new employments.

Fourth group: Those who fail to carry out their job satisfactorily. They should be backed to be effective at work.

As Peter Drucker mentioned earlier, talent identification and succession planning are founded on four principles, namely:

1. Managers are not born, they are made.
2. In manager development process, high priority must be assigned to skills and competence business needs in the future.
3. Talent management and succession planning requires systematic and regular plans.
4. Such plans must be mainly pioneered, backed and wanted by senior managers in organization.

And we end this paper with a quote from Peter Drucker who said:

“Today we are dealing with organizations bearing no similarity to those of the past”

Therefore we must join talent-centered organizations in order to cope with challenges and create new opportunities and enhance efficiency through implementing talent management.

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