



Business today involves so many complications and uncertainties that organizations need positive, fast-thinking employees at all levels who can size up a problem and then rally the people and resources needed to resolve it.

In the new economic scenario, competition is global, capital is abundant, ideas are developed quickly and cheaply, and people are willing to change jobs often. In that kind of environment, all that matters is talent.

People are the prime source of competitive advantage. Talented people, in the right kind of culture, have better ideas, execute those ideas better - and even develop other people better.

Most business owners know how critical good people are to their operations. But they usually don't understand what's required to keep the human factor productive and happy. They also don't realize the amount of compliance and administrative obligations associated with employing personnel.

If we are facing a 'skills crisis', why do some organizations seem to be affected, while others continue to attract the best and brightest? If there is a 'war for talent', why do some appear to be winning, while others are fighting a losing battle?

Do these winners have a stronger brand, superior talent strategies, better skilled recruitment and HR staff, or smarter use of technology? The answer is yes, they will have all of these in some degree. The companies who are coming out on top in a tight labor market haven't got there by chance, but through innovative practices underpinned by a strategic vision.

Companies have come to realize that keeping employees is much more cost-effective than replacing them. Retaining valuable employees has other benefits, as well - retaining the vault of knowledge that's been accumulated, skills learned, trust and relationships they have built with customers and co-workers.

The big change is in the amount of choice and the variety of experiences available in today's workplace: Talented people are actively shopping for colleagues and bosses who meet their needs and match their values. The market for talent is nothing new in the modern economy - One can easily see the trade happening between sellers and buyers of talent and skills where sellers are getting more upper hands in trading their skills on their terms and benefits.

To attract and keep talented people, companies today are not just experimenting with how they approach the competitive marketplace of goods and services but they're also experimenting with how they approach the competitive marketplace of talent.

Companies are testing the attractiveness of various combinations of social glue, and they are recognizing that unusual benefits attract unusual people - and that what works in one industry, or at one time, may not work in another industry, or at another time.

Deployed carefully, these social glues become stronger through the regular exercise of such attractions. Talent & skills could be magnetized in such ways that it would be hard to resist not to grab the opportunity of life time. With such strategy, organizations would not only be able to attain such human resource bank full of skills for their current prerequisites but at the same time would retain the human reserve for their future requirements as well.

In today's aggressive business environment remaining competitive is "top of mind" for most executives. To remain competitive, you have to hire truly talented people and then you have to keep them. Turnover is not only costly in terms of replacement expense; it impacts productivity, and it's demoralizing to other team members when they see good people leaving the organization.

The issue of 'talent management' was first raised in the mid 90's (in its current form) through an article in the Harvard Business Review. The 'War for Talent' framed a competitive marketplace where those companies that could attract and retain the best 'talent' would eventually out-perform their competitors.

McKinsey & Co, the strategy consulting business whose people wrote the article went on to develop a whole new line of business in consulting on talent management and developed numerous methodologies and techniques to make it a reality with their clients. The notion that 'talent' should be retained and rewarded was best embodied by two large American corporations: GE and ENRON, both of which were long standing McKinsey clients.

GE's position on talent is perhaps the most well known though the publicity which was attracted to Jack Welch, the Charismatic CEO. He ran a system whereby the top 10% of the staff in the company were seen as 'talent' and were promoted rapidly and exceptionally well rewarded.

The bottom 10% were actively 'performance managed' and quickly moved up the rankings (everyone in the company was placed in rank order based on their perceived performance) or were 'managed out' of the business. Being ruthless in applying this principle was seen as a way of constantly improving the 'DNA' of the organization. ENRON ran a system very similar to the one at GE - though observers have commented that it was even more ruthlessly applied than the GE model.

Finding and keeping talent is a strategic imperative that is becoming increasingly difficult in light of skill shortages in key jobs and industries, a shrinking labor pool and changing employee loyalties. Not surprisingly, many employers are nervous about finding and keeping the talent they need to deliver on their business strategy.

Even though today's pool of unemployed workers is deep, organizations choose to spend more time and resources on retaining existing employees than starting from scratch.

Companies are finally realizing that employees are their most valuable assets and should be treated as such. Yes, there are financial reasons behind this focus on retention.

However, there are many other contributing factors such as the effect attrition has on customer service, corporate culture, and employee morale and loyalty. All of these factors can and will be effected by turnover. Basically, when good people leave an organization they take their training and knowledge, and often times, relationships with them.

The shortage is not simply a problem of numbers. As our economy moves further into the high-tech era, with wider use in all industries of information technology and sophisticated equipment and systems, a significant proportion of our workforce will have acute shortages in certain skills. We are not talking about advanced degrees, but rather the basic ability to read and comprehend workplace-related operating instructions.

In fact that combination of qualifications systematic thinking and street-smart experience -is a textbook description of the sorts of managers and executives more companies are looking for today. It's the blend that's important. Simply being fast off the mark is no good if you're running in the wrong direction.

How do we attract the right people for the right jobs at the right time? And what about the reverse? What are we doing to make sure our existing key people and best performers don't leave?

As organizations continuously and relentlessly change, the best people know they can always find another job if their present employer doesn't give them what they are looking for. Money is important and is often the explanation people give for leaving. But is that really the reason? One of the most common motives I hear from key people leaving their jobs is, "I'm fed up with the company professing one thing but doing another".

Recruitment and Selection is an important ingredient to business success. The wrong hiring decision can have severe bottom line consequences. The application of inappropriate selection processes can be an embarrassing and expensive exercise.

A key component of HR's role is to manage the talent! To do this you have to define knowledge and skill sets for each major functions, key performance criteria, and rate people against both dimensions and ensure that effective management processes are in place for different categories of employee. They will not be the same solutions.

We need a methodology for identifying those individuals we want to keep, we have to think of the ways of keeping them and we have to develop succession plans, as belt and braces.

Time does not permit us to conduct succession planning for all employees, so we have to ensure that we have succession plan for the critical few. Succession planning in today's context must be different from that which took place in previous years. We now have to make sure that we have got plans in place to replace critical employees.

In Human Resource Management (HRM) cycle as well as in any organization, the recruitment and selection play an important and vital role in achieving the organizational vision, mission, goals and objectives. Now-a-days, organizations are actively considering the human resources as the number one resource among all resources of the organization.

Recruitment and selection makes up the staffing function in organizations. The primary goal of staffing is to assure that companies get the qualified people they need in order for the company to operate as efficiently and effectively as possible.

Before recruitment and selection, an organization must analyze the external environment and examine its internal situation to develop human resource plans by considering new requirement and existing vacant positions. Getting the right people interested in applying for a job at a company is the essence of recruitment.

Effective recruitment depends on knowing how people view recruitment as well as how an organization views it. Thus it is important for HR department to know the needs of the applicants and needs of the company as well. At all stages of recruitment and selection, HR department must seek individuals with the best match of skills and competencies to the need, the highest standards of personal integrity and a willingness to face challenges and to develop themselves within a changing organization. The entire recruitment and selection process must be conducted in a transparent and consistent with relevant laws, that is, a non discriminatory fashion and participatory manner.

The first decision organization has to make whether it will recruit the staff internally or externally or go for both simultaneously? Potential advantages of internal recruitment over external include;

- (1) Performance information on current employees is available;
- (2) Selection is generally less costly since initial information has been analyzed;
- (3) Positions may be filled up faster;
- (4) Candidates are already familiar with the organization norms etc., which helps to save time for orientation/induction and socialization; and
- (5) Promotion form within can be motivator signaling to other employees that peak performance will be rewarded.

An external recruitment can also offer some advantages;

- (1) Outside employee can import new ideas;
- (2) External candidates may reduce the employee training and development, particularly, if they have been trained elsewhere;
- (3) Hiring outsiders can indicate a changing business; and
- (4) There may not be viable internal person.

In our view, companies - that are complacent about talent - are the ones that have the most to lose and that are most at risk. They are the least innovative, the least aggressive.

They are reluctant to promote people early on, to recruit in different ways, to take action to move their average players to the sidelines and their best players to the forefront.

Don't treat people the way *you* want to be treated. Treat them the way *they* want to be treated. Every company consists of myriad individuals -- people with distinct wants, needs, and expectations -- and employers need to recognize the importance of personalized service and attention if they hope to retain their top talent. "It's all about you" should be the theme exuded by the employers with their strategies and dealings with employees.

Companies that are most likely to succeed are the ones that spend the most energy on attracting, developing, and retaining talent whereas Companies that are the most restless, most dissatisfied, most nervous, and the most paranoid are the ones which refused to tap their ways in accordance to the growing human resource significance and worth in workplace. So, as the war for talent intensifies, the gap between the winners and the losers will probably get wider and wider.

To succeed in a knowledge-based economy, it is important to have the right people. Beyond finding and screening candidates at company level, HR Professionals should also work together to promote and create interest in the jobs and work environment at the industry level.

This is important because with rapid technological changes, job prospects and career options also undergo transformation. Job seekers may not be fully informed or up-to-date on the new opportunities.

However, the responsibility of the HR Professional does not end with recruitment. To motivate and enable staff to give their best, HR Professional must also create a favorable workplace environment, and develop employees' potential and capabilities. Companies which give their people the opportunities to learn new skills and master new technologies are more likely to retain such employees.

Hence, managers and HR Professionals will need to be more market savvy and creative in designing and applying employees' training and upgrading programs.

HR must also play an active and guiding role in enabling the company to choose its people well, invest in them, support their growth and respect their needs, while fostering innovations needed to achieve the strategic business objectives. This vital role requires competence in coaching leaders in behaviors that will create and sustain a flexible and adaptive workforce, and innovating at the accelerated rate of change of a global post-industrial economy.

It is easier to get good people; it is very difficult to retain them. The next challenge for both HR and the employee is to ensure that there is clarity in and communication of roles and responsibilities. Often, roles are defined, however performance parameters are not.

This ambiguity leads to confusion. Adding to the woes are biased performance evaluation techniques, and non-differentiation between the performers and non-performers. Biased performance evaluations are a big de-motivator because they shape the perceptions of peers/seniors in the organization.

This is especially so when performance metrics are not objective. When performers and non-performers are meted out the same treatment, in terms of financial rewards, recognition, promotions, organizations run the highest risks of losing the performers.

Organizations have to realize that losing good talent is like slowly bleeding to death. All the learning or growth that any organization has acquired over the time simply drained away when a performing employee walks out. Just as it takes six times the money and effort to replace an existing customer with a new customer, it takes as much if not more in hiring a new employee.

When a good employee leaves, it affects the morale of the other remaining employees, who are contemplating their worth in the organization. Are you mapping these risks? Don't mouth platitudes on your people policy. Make a commitment to fair and ethical practices with your employees and you will mitigate your employee risks.

About the Author

Syed Imtiaz Hussain is Head of HR & Administration in one of the leading multinational Company. As a member of top management team; he develops a highly professional A-Class HR environment in the organization by utilizing his vast practical and visionary experience of HRM and HRD.

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