

CAREER DEVELOPMENT: THE CHALLENGE FOR ORGANISATIONS

Dr JHARNA KALRA
Assistant Professor
Sydenham College of Commerce & Economics
B Road, Churchgate
Mumbai-400020

Abstract

This paper focuses on how businesses must continue to focus on investing in their workforces, today's talent management reality is impacted by broad factors like the shifting economy and fluctuating job numbers. Getting talent management right means to worry less about the various talent problems and more about the business opportunities. Talent management is a broad and contentiously defined discipline, so new approaches and tools are continually emerging. Hiring managers in some large organisations are seeing the re-emergence of labour shortages even in the early phase of economic recovery. As economic growth gathers pace, shortages in certain industries are appearing almost as acute as before the economic collapse. In some areas of healthcare, science and IT, the talent shortage never actually disappeared and remains a highly challenging environment for recruiting. When new, as well as tenured, employees are able to see the path of the career ladder – with each step of the ladder rationalized with increasing experience, training and responsibility – the more likely that company will be to acquire and retain the best talent. The study shows that training and development for employees must be coupled with clear possibilities for them to climb the corporate ladder.

Introduction:

Career management can be deened in two dimensions: individual and organizational. On an individual level, career management consists of a conscious and consistent implementation of one's vision of career: personal plans of development, carving out individual career paths and raising one's skills. e focus is on the speciic professional and personal needs, attitudes and values, which means that individual employees do not take into account the goals and plans of the organization. is is associated with the situation in the modern labor market, where the vision of a career in a single organization is becoming increasingly obsolete. A new career paradigm is emerging – boundaryless, multi-threaded, multi-faceted and in many organizations. From the perspective of the company, managing employee careers is to help realize the plans of the organization by the most eecient use of the workforce, albeit considering their individual needs and goals. Talent management is a complex collection of connected HR processes that deliver a simple fundamental benefit for any organisation.

Talent management refers to the skills of attracting highly skilled workers, of integrating new workers, and developing and retaining current workers to meet current and future business objectives. Companies engaging in a talent management strategy shift the responsibility of employees from the human resources department to all managers throughout the organisation. The process of attracting and retaining profitable employees is increasingly more competitive between organisations. This is of strategic importance and has come to be known as "the war for talent." Talent management is also known as HCM (Human Capital Management).

The term "talent management" means different things to different organisations. To some it is about the management of high-worth individuals or "the talented" whilst to others it is about how talent is managed generally - i.e. on the assumption that all people have talent which should be identified and liberated and maximised.

In the changing business environment, a well thought out approach to talent management is most responsive to identifying and nurturing necessary talent. While most organisations have ad hoc approaches to talent management, it is found that a large portion of them do not have formalised talent management approach. This can often lead to strategic gaps in fully reconing potential issues and problems such as difficulty in recruiting for vital roles within the organisation; inability to respond swiftly to the changing external environment and issues with respect to promotions taking place before people are 'ready'.

Managers need to see talent management as a part of their role and actively undertake its identification and development. It should also form an integral part of the organisation's strategy and business planning process and gain a buy-in and commitment to undertake necessary responsibilities. Thus, identifying and nurturing talent require organisational buy-in, particularly from senior management and a structure to support the process.

Companies that engage in talent management are strategic and deliberate in how they source, attract, select, train, develop, retain, promote, and move employees through the organisation. Research describes significant benefit as a result of intentional talent management in these critical economic areas: revenue, customer satisfaction, quality, productivity, cost, cycle time, and market capitalisation. The mindset of this more personal human resources approach seeks not only to hire the most qualified and valuable employees but also to put a strong emphasis on retention.

The major aspects of talent management practiced within an organisation must consistently include:

- organisational culture and work environment
- performance management

- career management
- workforce planning/identifying talent gaps
- recruiting

Research methodology:

The given research paper is based on the secondary source of data collected from the human capital magazine and web portal

Findings:

The importance of top-performer retention is a topic that consistently leads in HR and business surveys alike. Notably, more than 1,000 CEOs were asked, “How important are the following sources of competitive advantage in sustaining your growth over the long term?” The #1 response—chosen by 97 percent—was “access to, and retention of, key talent.”

Talent retention is critically important for all organizations for two main reasons:

1. Turnover is expensive.
2. Top performers drive business performance.

Although estimated financial impacts from turnover fluctuate depending on industry, position, and location, estimates range from 30 percent to 250 percent of annual salary.² Turnover costs mount steeply, arising from the direct replacement costs of talent acquisition, the opportunity costs of vacant positions and time to productivity, and—more broadly—lost business performance. The impact of quality performers was crystallized in McKinsey’s seminal “War for Talent” study. It found that, in the opinion of senior managers, high performers outperform average performers by a wide margin. According to the study, high performers in operations roles are able to increase productivity by 40 percent, high performers in management roles increase profits by 49 percent, and, in sales positions, high performers are responsible for 67 percent greater revenue.

Constrained economic conditions further highlight the need for organizations to keep their best people as companies strive to control costs and increase productivity. Talent management strategies address this dual agenda directly. For example, a Taleo Research global survey found 70 percent of respondents see an increased need to retain top performers by driving focus on performance management and career planning in a low-growth economy.

Because low talent retention produces a substantial drain on corporate resources, leaders need to know which practices work and what they should focus on to retain and motivate their workforce. For instance, a

talent management strategy that allows employees to build a network, seek and find mentors, and help them grow and develop while feeling more connected and engaged is one means of retaining talent.

There are many approaches that have been explored as levers to increase retention, including compensation packages and rewards, benefits, telecommuting options, and work/life balance initiatives. Each may have a place in a company's portfolio of retention strategies.

Today, certain talent management practices that utilize self-service software as a service (SaaS) interfaces can be effective and extensible throughout organizations. Specifically, retention strategies can be carried out through talent management practices supported by a robust technology platform. These practices span the talent lifecycle from hiring, to managing employee performance and alignment with corporate goals, to providing career and promotion opportunities, to measuring program success.

The Greiner Curve: Surviving the Crises That Come With Growth

Fast-growing companies can often be chaotic places to work. As workloads increase exponentially, approaches which have worked well in the past start failing. Teams and people get overwhelmed with work. Previously-effective managers start making mistakes as their span of control expands. And systems start to buckle under increased load.

While growth is fun when things are going well, when things go wrong, this chaos can be intensely stressful. More than this, these problems can be damaging (or even fatal) to the organization.

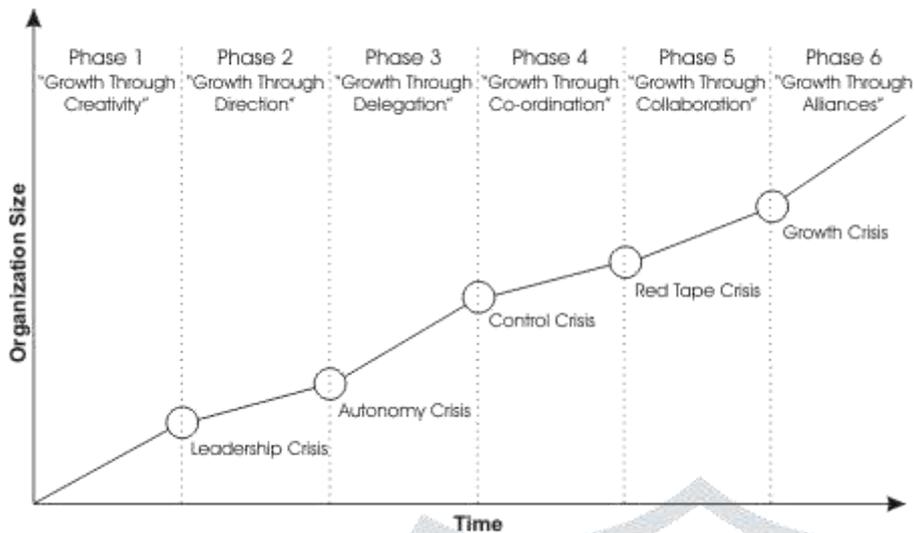
The "Greiner Curve" is a useful way of thinking about the crises that organizations experience as they grow.

By understanding it, you can quickly understand the root cause of many of the problems you're likely to experience in a fast growing business. More than this, you can anticipate problems before they occur, so that you can meet them with pre-prepared solutions.

Understanding the Theory

Greiner's Growth Model describes phases that organizations go through as they grow. All kinds of organizations from design shops to manufacturers, construction companies to professional service firms experience these. Each growth phase is made up of a period of relatively stable growth, followed by a "crisis" when major organizational change is needed if the company is to carry on growing.

Figure 1: The "Greiner Curve"



Dictionaries define the word "crisis" as a "turning point", but for many of us it has a negative meaning to do with panic. While companies certainly have to change at each of these points, if they properly plan for there is no need for panic and so we will call them "transitions".

Larry E. Greiner originally proposed this model in 1972 with five phases of growth. Later, he added a sixth phase (Harvard Business Review, May 1998). The six growth phases are described below:

Phase 1: Growth Through Creativity

Here, the entrepreneurs who founded the firm are busy creating products and opening up markets. There aren't many staff, so informal communication works fine, and rewards for long hours are probably through profit share or stock options. However, as more staff join, production expands and capital is injected, there's a need for more formal communication.

This phase ends with a Leadership Crisis, where professional management is needed. The founders may change their style and take on this role, but often someone new will be brought in.

Phase 2: Growth Through Direction

Growth continues in an environment of more formal communications, budgets and focus on separate activities like marketing and production. Incentive schemes replace stock as a financial reward. However, there comes a point when the products and processes become so numerous that there are not enough hours in the day for one person to manage them all, and he or she can't possibly know as much about all these products or services as those lower down the hierarchy. This phase ends with an **Autonomy Crisis**: New structures based on delegation are called for.

Phase 3: Growth Through Delegation

With mid-level managers freed up to react fast to opportunities for new products or in new markets, the organization continues to grow, with top management just monitoring and dealing with the big issues (perhaps starting to look at merger or acquisition opportunities). Many businesses flounder at this stage, as the manager whose directive approach solved the problems at the end of Phase 1 finds it hard to let go, yet the mid-level managers struggle with their new roles as leaders.

This phase ends with a **Control Crisis**: A much more sophisticated head office function is required, and the separate parts of the business need to work together.

Phase 4: Growth Through Coordination and Monitoring

Growth continues with the previously isolated business units re-organized into product groups or service practices. Investment finance is allocated centrally and managed according to Return on Investment (ROI) and not just profits. Incentives are shared through company-wide profit share schemes aligned to corporate goals. Eventually, though, work becomes submerged under increasing amounts of bureaucracy, and growth may become stifled.

This phase ends on a **Red-Tape Crisis**: A new culture and structure must be introduced.

Phase 5: Growth Through Collaboration

The formal controls of phases 2-4 are replaced by professional good sense as staff group and re-group flexibly in teams to deliver projects in a matrix structure supported by sophisticated information systems and team-based financial rewards.

This phase ends with a crisis of **Internal Growth**: Further growth can only come by developing partnerships with complementary organizations.

Phase 6: Growth Through Extra-Organizational Solutions

Greiner's recently added sixth phase suggests that growth may continue through merger, outsourcing, networks and other solutions involving other companies.

Growth rates will vary between and even within phases. The duration of each phase depends almost totally on the rate of growth of the market in which the organization operates. The longer a phase lasts, though, the harder it will be to implement a transition.

Conclusion:

Career growth in brief can be explained as it clearly represents role-based career track, clarifies organisational expectations, gives insight into employees skill gaps\development needs, it helps envision a development path and identifies behavioural coaching sessions and mentoring frameworks. Defining talent is how organisations decide to segment their workforce. By using a segmentation strategy for their talent, an organisation is not identifying the rest of the workforce as talentless. Talent management is about doing something additional or different with those people who are defined as talent for the purpose of the organisation – be it top performers, high potentials, senior managers suitable for director positions, or people suitable for critical roles in the organisation. Most organisations see the need for a more central ownership approach to talent in order to get senior management buy-in and strategic alignment with the programme, however this can raise operational issues in business-unit driven organisations. Some progressive companies have set up talent markets where managers can negotiate job transfers, obtain development opportunities more easily and build networks across the organisation

References:

- The Times ascent dated November, 2013, Wednesday page no 02 article Talent management, HR's KRA author Sangeeta Singh
- Human capital magazine vol 15 March, 2012
- www.oracle.com/us/.../talent-retention-6-best-practices
- www.mindtools.com › [Strategy Tools](#)
- www.exponentialtraining.com/Downloads/Resources/.../page_10.
- www.managers.org.uk/sites/default/files/user35/CMI_Talent_Management_Nov_2007_-_Full_Report.pdf