



Issues of Human
Development
Towards A
Prosperous Life

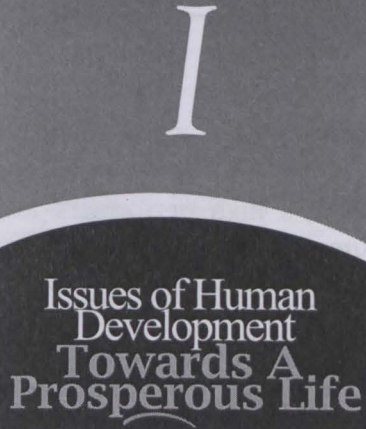
PART I
Humanities

CHAPTER 1

THE WAR FOR TALENT –

No More an Esoteric Subject

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Introduction

In this era of competition, retaining competent professionals is an uphill task for most employers. This is due to the fact that “Talent will be the significant differentiator between companies that succeed and those that don’t”. Those that win will be led by people who can adapt their organisations to change, make right strategic bets, calculate risks, conceive and execute new value creation opportunities as well as build and rebuild competitive advantages. This present paper attempts to outline the urgent need of companies to retain competent employees. The practices adopted by the companies with regards to talent retention are outlined.

Talent

A proper understanding of the present paper “The war for talent - No more an esoteric subject” entails a brief definition of the term ‘talent’. Talent represents the unusual, unique or innate capacity or capability of an individual in a particular field or activity. In the organisational context, its relative aspects are with respect to organisational expectations and values.

Rationale of Talent Retention

Today's high performers are like frogs in a wheelbarrow. They can jump out at any time. This only underscores the importance of talent management for organisations and the need for an appropriate retention policy.

Talented people are a long term bet for organisations - a bet which is certain to pay off by way of their contribution towards the organisation's growth. In view of rapidly changing technological developments and the way organisations work, the parameters of the talent required will also undergo transformation. This has prompted Human Resource Managers to realise the need to nurture high-potential and high-performing employees and move away from being just the best employer for all employees to a better employer for better performers.

The above generalisation has prompted companies to realise the fact that human resources are important assets - their skills cannot be easily replicated. Physical assets like money, land and buildings play vital roles in the industrial age. However, intangible assets such as intellectual property, business strategy and innovation will rule the roost in the information age. Underpinning these intangible assets is talent. In this context, talent will separate the winning organisations from the losers. Another reason for the present study is that today's workforce is more articulate about its needs. Employees desire the best of everything. These include competitive salaries, comfortable and conducive lifestyles, job security, career enhancement options, work life balance and so on.

All these factors have a favourable bearing on retaining high performers. Of these various factors, 'Competitive Salaries' is the most important aspect. Attrition for a slight increase in salary by a competitive concern has become a common aspect. Attrition is the exodus or exit of the employees. Accordingly, companies are reluctantly forced to increase salary costs. Recently, a major Biotechnology Company has faced higher salary costs because of an increase in poaching of its employees by Information Technology companies. Kiran Mazumdar Shaw, Chairman