

# Impact of Talent Management on Organizational Competitiveness

## O Impacto da Gestão de Talento na Competitividade Organizacional

SURUCHI MITTAR<sup>a</sup>

SHANKAR DASTIDAR<sup>b</sup>

### Resumo

A implementação da gestão de talentos não só oferece um grande retorno sobre o investimento como desempenha também um papel importante no crescimento pessoal dos colaboradores, o que poderá conduzir à melhoria do seu desempenho. Para ser sustentável e atingir os seus objetivos estratégicos e operacionais, uma organização precisa de atrair, reter e promover os talentos, desenvolvendo estratégias distintas, através da capacidade de inovar no ambiente de trabalho atraindo pessoas competentes. Este estudo indica como os proprietários de produtos da Appster ganharam competências integrando o treino individual e de grupo. As lacunas na comunicação com o cliente foram identificadas e o processo foi revisto com a aplicação de novas ferramentas de aprendizagem e estrutura das sessões de treinamento, *workshops* e sessões de *coaching*.

**Palavras-chave:** gestão de talento, comunicação com o cliente, competitividade organizacional, *feedback* ao cliente

### Abstract

*Talent Management implementation does not only offer a large return on investment but also plays an important role in employees' personal growth which eventually leads to improvement in performances. An organization always needs to attract, retain and promote talent who cannot only develop distinctive strategies, but also have an ability to innovate a work environment and attract other committed people. This study indicates how the product owners at Appster were up-skilled by integrating individual development with group training for high-performance, with a sustainable organization that meets its strategic and operational goals. The gaps were identified in their client communications and progress was reviewed by applying learning tools and framework from the training sessions, workshops and coaching sessions. The introduction of training programs for dealing with clients (product owners), as well as regular catch-ups, impacted on client communication at Appster.*

**Keywords:** talent management, client communication, organizational competitiveness, client feedback

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<sup>a</sup> Director of Learning & Development and Culture, APPSTER. Email de contacto: suruchi.mittar@appster.in

<sup>b</sup> Director Delivery, APPSTER.

## 1. Introduction

In this era, where human capital is the competitive leader, organizations must consider the significance of attracting and retaining talented people (Minchington, 2010; Mohapatra, 2005). Talent in any organization refers to the set of employees responsible for taking the business forward (Hansen, 2007). It is one of the core competencies and constitutes a small percentage of employees (Berger & Berger, 2003). It creates a need to execute the talent management system as a means to optimize the performance of employees and thus the organization. In the new millennium, corporations and organizations are facing challenges in several domains including profitability, satisfying stakeholders and shareholders and increasingly global competition. Besides achieving the financial and productivity goals, companies must expand beyond their existing boundaries to meet all the challenges and perform in more effective ways.

The fact that business is run by people lays the foundation for logic behind talent acquisition and retention. Undoubtedly, technology, processes, and capital are very important factors to keep a company growing, but people make the decisions, bring value by creating products, and provide clients with sufficient services.

It is clear that the more efficient people are in any organization, the more it will grow. In order to reach the desired outcomes, talent strategies should be well aligned with the organization's business strategy and human capital (Heinen & O'Neill, 2004). Along with this, the policies and processes ruling talent management are expected to be as flexible as the strategies themselves (Stone, 2002). Thus, to attract, develop and utilize the best brains is the main agenda for talent management in order to get superior business results.

According to learning professionals, the integration of major segments of talent management would not just improve organizational performance but will also create sustainable advantages for both the organization and the employees. It would assist the organization to meet immediate personnel needs and to secure a pipeline of leadership for future growth. The employees get the opportunity not to just grow professionally but also for their personal development and thus it influences business outcomes such as quality, customer service, and productivity as well as the entire organization's livelihood.

Information Technology (IT), a sector which has been growing exponentially for decades, has created a positive impact on millions of people by connecting them, providing employment, and also helping in the overall development of the economy. It has changed the way people communicate and do

business. The IT sector has earned itself a name as an important contributor to the GDP of several nations. One of the biggest IT giants, Infosys Technologies, considers employee engagement as an important part of talent management processes. Meaningful and customizable career paths provide an element of challenge and give direction to the employees (Jumade & Kulkarni, 2015).

In recent years, Agile methods have gained popularity in software development. The product owner in an Agile organization differs from that of the traditional product manager role in many ways. The product owner (or Agile PM) shoulders all the responsibility for project success, and is ultimately responsible to the team, stakeholders, and to the company. In order for scrum to work, the product owner has to focus his time on activities that matter. The product owner represents the customers, interfaces and engages with them as well as with stakeholders, to ensure the team is building the right product and therefore delivering the ROI expected of it. Product owners communicate status externally by being the voice of the team to the outside world, and should ensure that all channels of communication are open and that projects have the right amount of support required to succeed.

The focus for this study is on the responsibilities of product owners with regard to client communication. Appster, which is a mobility startup, was struggling with low NPS, and a low client feedback score. The HR department believed the hiring of product owners as competencies were well defined, and JDs were well equipped, so the challenge was to nurture the talent and develop their skills. At this time, learning and development is understood through holistic methodology for better client experience and improvement on the NPS score. The challenge was also to convince the employees to adapt to the changing culture of learning.

## **2. Literature review**

Talent management is the implementation of integrated strategies especially designed to increase workplace productivity. It attracts, develops, retains and utilizes people with the required skills to meet current and future business needs. It is an additional management process and an opportunity that is made available to the people in the organization who are considered 'talent' (Ashridge Consulting, 2007; Likierman, 2007). It is also termed a systematic attraction, involved in the identification, development, engagement/retention, and deployment of those individuals who are of particular value to an organi-

zation, either in view of their 'high potential' for the future or because they are fulfilling business/operation-critical roles. (Cappell, 2008; McCartney, 2006).

According to SHRM's (2006) Talent Management Survey Report, 53% of organizations have specific talent management initiatives in place. Of these companies, 76% consider talent management a top priority. In addition, 85% of HR professionals in these companies work directly with management to implement talent management strategies. Other companies may not define talent the same way. The belief in talent and its impact on the bottom line are at the heart of talent management. To be effective, the talent mindset must be embedded throughout the organization.

The Resource Based View Theory of human resource management involves identifying the firm's potential key resources and deriving a strategy for applying them to create synergy. It is based on the idea that the effective and efficient application of all useful resources that the company can muster helps determine its competitive advantage.

According to Armstrong (2009), Resource Based View Theory aims to provide justification for attaching importance to resourcing activities, especially talent management, and can also be used to enhance the value of the HR contribution in achieving competitive advantage. The resource-based view defines characteristics which make a competitive process sustainable. These characteristics are described as valuable, rare, inimitable, and non-substitutable, referred to as VRIN. An organization should care for and protect the resources that possess these characteristics, because doing so can improve organizational performance.

The IT industry is emerging as an important contributor to the GDP of several nations. According to Ms. Sun Yafang, Chairwoman, Huawei technologies, the Information and Communication Technology Sector has contributed to around a quarter of the European Union's growth in GDP (The Global Information Technology Report, 2012). A huge number of people are employed and are going to be employed in this industry in the future. This has resulted in new challenges in the IT industry in the form of managing and retaining exceptional talent (Dhanabhakym & Kokilambal, 2014).

Companies incur one-third of their cost from workforce management (Frank & Taylor, 2004). This particular fact indicates the importance of talent management. A corporation that does not encourage growth or learning would be considered a 'sick organization' according to *The Drucker Test for Organizational Dropsy*. Srivastava and Bhatnagar (2008) mention that organ-

izations that better attract, select, and retain these talented workers perform better than those that do not.

The very need to introduce such strategies has been mentioned in ASTD's report on talent management practices and opportunities which explains the role of learning in integrated talent management. The research team found that "integrating talent management components more effectively" is a major opportunity for organizations. It also found that companies were lagging behind in terms of coordinating approaches that integrate the components of talent management effectively.

The key talent requirements are defined on the basis of roles and competency and will be attained by close integration of all the talent management practices.

The foremost goal of talent management is a superior workforce. Talent management, when handled strategically, flows from the organization's mission, vision, values, and goals which helps every employee see where he or she fits within the organization. By performing the following few talent management practices, organizations can get the most out of their workforce:

1. Track the progress by aligning individual and organizational goals.
2. Provide regular feedbacks.
3. Identify and reward high performing employees.
4. Provide promotional and career development opportunities.
5. Conduct regular training, coaching, and mentoring sessions.
6. Hold exit interviews.

### **3. About the company case**

Appster is a mobile app development company which provides end-to-end software solution to the entrepreneurs and startups to shape their ideas into mobile apps. Appster is accredited as one of the top five companies of the world in the mobility arena. The mobile apps developed have received awards like Devey for great UI/UX, and have been featured on App Store many times. Appster has a strong market presence with 400 employees throughout the USA, Australia and India. It works on the principles of moral management, and its executive team works each day to build a culture based on progressive principles. The advisors of the company include the founding CFO of Paypal, former CCO of Virgin Australia, and founder of Brock CRS as well as an FBI strategist. Appster firmly believes that culture is the ultimate recruiting tool

to build a phenomenal team. It is an agile driven organization and teams constitute scrum masters, product owners, UI/UX developers, quality analysts and developers who share common business goals for phenomenal customer service.

Last year the company achieved an extraordinary 83% growth rate, and is 10 times better than the industry standard. This is because the apps that the company builds have gone on to acquire millions of users, raised millions of dollars, are acquired by multinational companies, and reach multimillion dollar valuations.

A product owner in the organization has responsibilities which are:

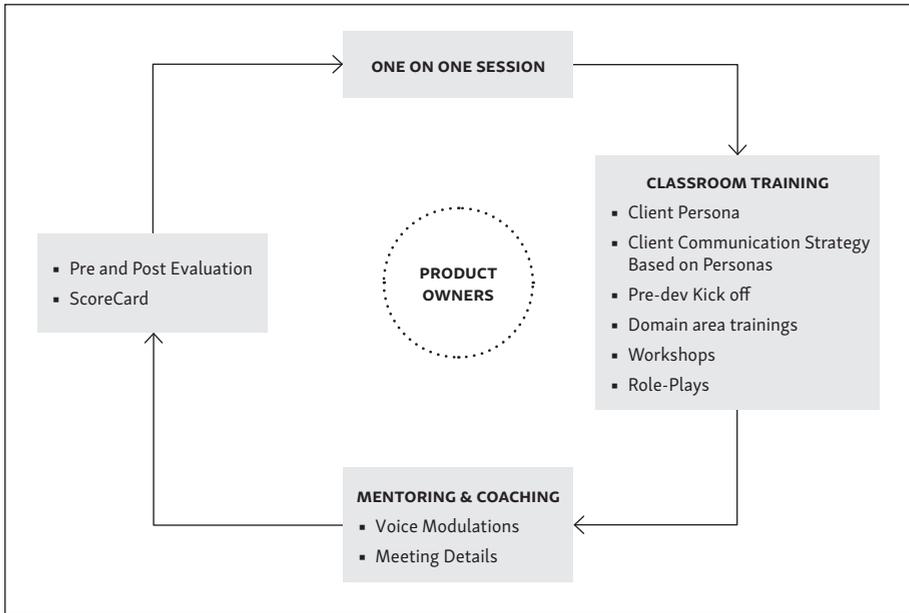
- Writing and maintaining product backlog and facilitating knowledge transfer to cross-functional software development teams.
- Client communication.
- Identifying and providing ideas to correct product gaps.
- Providing ideas that will improve user experience.
- Prioritising user stories based on business value and customer impact.
- Working closely with developers within and between cross-functional teams to deliver products within planned timeframes.
- On-time and quality delivery with a customer satisfaction factor.
- Prompt response to the change requirements.
- Making sure that the product delivered to the customer is of high value and within budget.

This program has, as its main objective, a reduction of the gap in client communication by training and coaching Appster product owners. In this paper, we both review and assess the current communication process of clients, and formulate a 360 integrated plan for the improvement of client feedback.

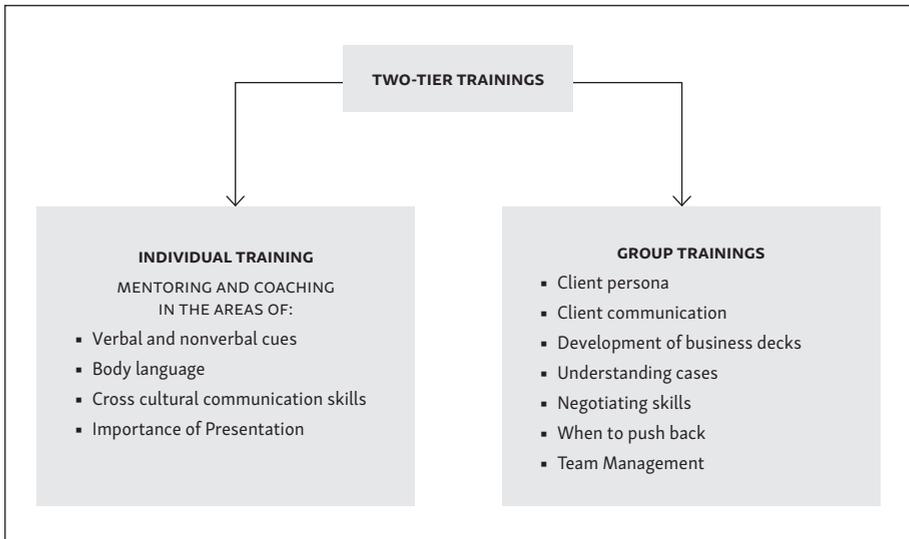
#### **4. Proposed recommendation**

A two-tier training procedure was carried out for the product owners of the company for better client communication:

**FIGURE 1.** Proposed Cycle



**FIGURE 2.** Two-Tier Training



## 5. Method

### 5.1 Secondary Data

Exploratory Research — Several research papers, research manuals and journals were reviewed to understand and identify the communication process in client interaction. An exhaustive list of parameters was framed for client satisfaction scores. The parameters identified were

1. Determine the client's communication style.
2. Keep better records of your interactions.
3. Pay attention to your communication tone.
4. Nail down project terms and expectations.
5. Set appointments for communication.
6. Be prepared to really listen.
7. Be sensitive to different sociocultural environments.

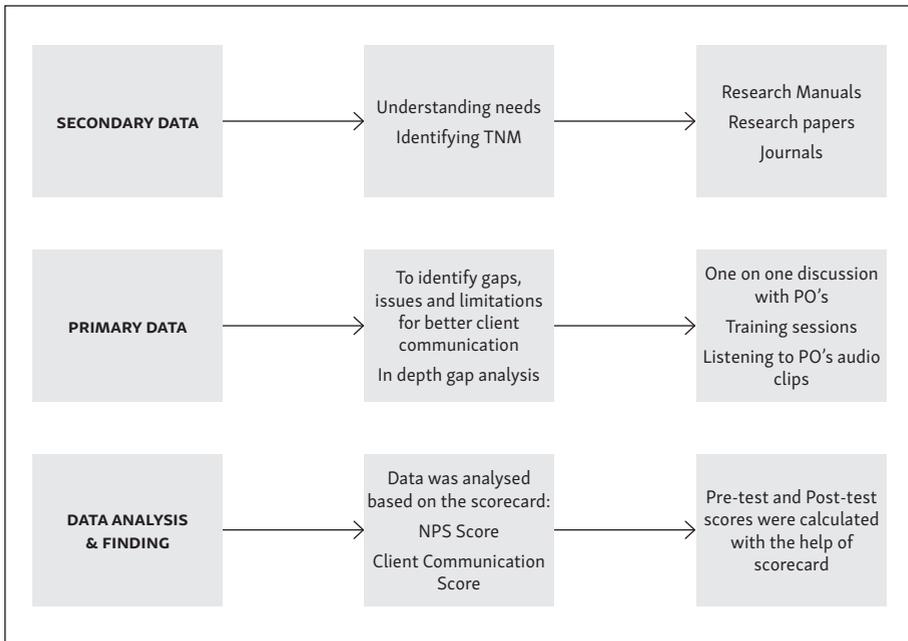
### 5.2 Primary Data

A two-tier approach was adapted to find the primary data and for its implementation. The primary data was collected through:

1. **Observational Research:** The phenomena of client communication involved was directly observed by L&D in the natural setting. This was formalised by observing all the client communication calls, understanding the gaps, and understanding the expectations of the clients for each product owner.
2. **Interview Research:** This was in the form of both informal and formal discussions with the focus group, i.e. product owners, to understand the issues which exist in the completed process. This was adopted to verify the parameters identified through secondary data to help build a scorecard.
3. **Feedback:** During one-on-one sessions the problems were not only listed but resolved spontaneously, along with consistent feedbacks.
4. **Training:** Regular training sessions were organized to improve the soft skills of product owners for client communication. The sessions included customer onboarding, client persona, client profiling, pre-dev-kick-off deck, perspectives from some movies, theoretical knowledge, classroom activities and workshops. Feedback from product owners after every session defined the success rate of trainings.

5. Individual coaching sessions: These sessions focused on participants in order for them to become strategic positioners and credible activists. As with many businesses, the participants found that it is not always easy to change the status quo. The coaching worked on removing those barriers to change, and emphasized the need to look at the business from a business point of view, e.g., tone of voice, mindful communication, effective listening, responding well, understanding emotions well, appreciating the ego state of the client, etc.

**FIGURE 3.** Conceptual Framework



### 5.3 Data collection

Data was collected by one-on-one discussions, as well as listening to audio clips of PO's communicating with the client. Several parameters for preparing scorecards were identified using both primary and secondary data. The exhaustive list was reduced by the delivery director of the company, using a deductive method based on the relevancy for the business. Selected parameters and proficiency levels are mentioned in figure 4.

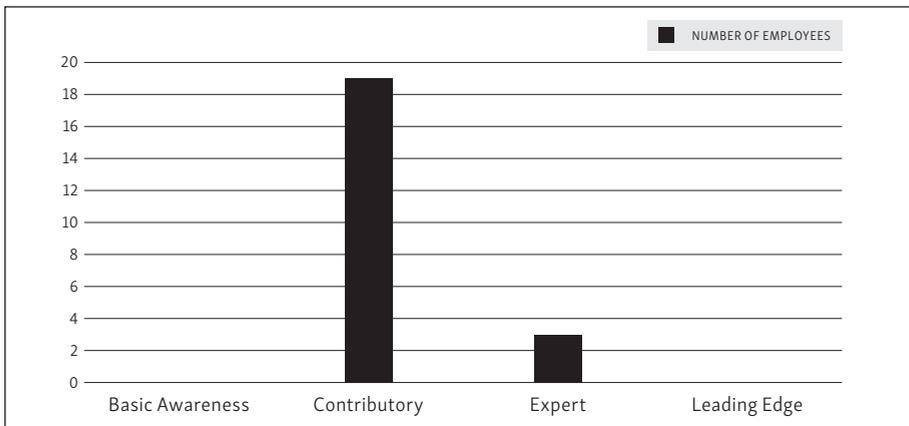
**FIGURE 4.** Analysis Table

		PROEFICIENCY LEVELS			
		Basic Awareness	Contributory	Expert	Leading Edge
SELECT PARAMETERS	Delivery/ Presentation				
	Delivery/ Structure				
	Delivery/ Preparedness				
	Fluency				
	Pronunciation				
	Correctness				

## 6. Results

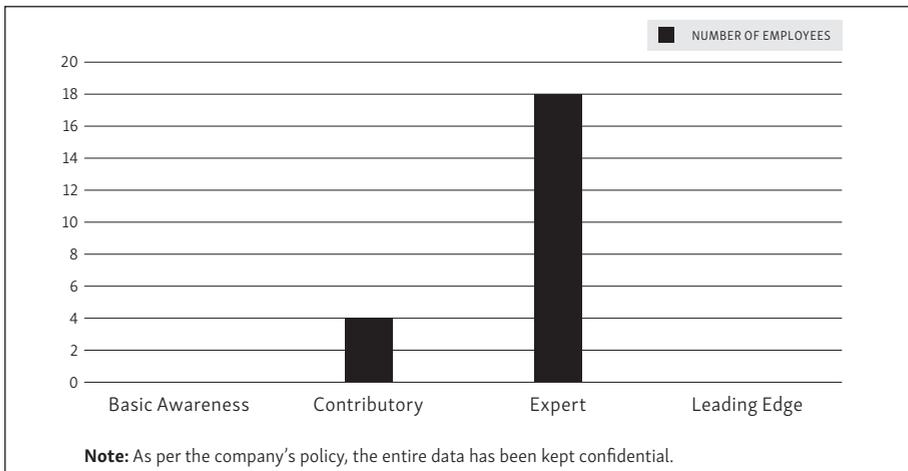
Experimental research was conducted where pre- and post-test analyses were performed. The net promoter score was found to be below average during the pre-test analysis.

**FIGURE 5.** Pre-test Analysis



An above-average net promoter score was found in post-test analysis, which was conducted after carrying out two-tier training including focus groups and individual mentoring and coaching.

**FIGURE 6.** Post-test Analysis



## 7. Conclusion

Every organization has an asset of talent in the form of human capital. Possessing resources alone does not guarantee success and development. Instead, resources must be accumulated, bundled, leveraged, managed, and aligned effectively with the business goals and realities. Talent management as a whole addresses all the concerns regarding recruitment, integration, growth and retention. In order to sustain and compete in the ongoing scenario, organizations should be able to develop such an environment through them. The best way to adapt is to create a conducive environment within. The talent management practices enhance the knowledge of the talent. A right bent of talent management practices would undoubtedly result in the right set of organizational learning. Different kinds of approaches can be designed and adopted for specific agendas. This paper studied how the implementation of training sessions and regular catch-ups contribute to the high-performance of product owners when communicating with the clients and thus improving the client feedback score. Also, the challenges were identified and dealt with by applying learning, tools, and framework from the workshops and coaching sessions. 86% of participants achieved higher levels of competency in their selected focus areas.

The group improved in every leadership domain as measured by follow-ups giving 360 group averages compared to their initial 360 averages. All participants successfully completed action learning projects that addressed

actual problems facing the organization. Participating in the workshops enabled leaders to build a broader network across the organization.

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