

Top Trends for Talent Management

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Abstract: Since McKinsey's 1998 report on "better talent is worth fighting for" which formally introduced the term "the war for talent," talent management (TM) has been attracting strong attention from industries and academia throughout the world. Talents are seen as the critical determinant of organizational success and a necessity for sustainable corporate development. To be successful, companies need to identify and manage talents effectively. However, the dilemma faced by companies are the uncertainty of the external environment which makes it difficult for them to predict the supply and demand of talents in the external labor market as well as the difficulty to attract the needed talents and retaining the skills that they have spent abundant resources to cultivate. This article aims to summarize the top trends of talent management (TM) in the contemporary society and offers a comprehensive explanation as well as corresponding suggestions in response to these trends so as to provide the best way to build a multi-dimensional and comprehensive team to meet the new requirements in the infobahn era, thus enhancing the operation and management capabilities for optimizing human capital.

Keywords: Talent management; Infobahn; Sharing economy; Self-initiated expatriate

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1. Introduction

Talents are seen as the critical determinant of organizational success and a necessity for sustainable corporate development. In the contemporary society in which the knowledge-based economy plays a more critical role, talents are increasingly becoming strategic resources for all types of enterprises. To be successful, companies need to identify and manage talents effectively, and it is the concern of every manager to attract and retain core employees, enhance the value of human capital, and improve the core competitiveness of an organization in the fierce competition for talents.^[1]

However, on the one hand, the dilemma for companies is the uncertainty of the external environment which makes it difficult for enterprises to predict the supply and demand of talents in the external labor market while on the other hand, it is difficult for enterprises to attract the needed talents and it is challenging to retain the skills that they have spent abundant resources to cultivate.^[2] In this sense, this article aims to summarize the top trends of talent management (TM) in the contemporary society as well as offers a comprehensive explanation and corresponding suggestions in response to these trends.

2. Factors and reasons of the change

Since McKinsey's 1998 report on "better talent is worth fighting for" which formally introduced the term "the war for talent," talent management (TM) has been attracting strong attention from industries and academia throughout the world. The research background for the rise of talent management is threefold which are the changing workforce due to aging population, increased mobility, and globalization.^[3]

Using the aging situation in the United States as an example, as the “baby boom” generation gradually enters the aging stage, the proportion of elderly people in the United States increases. While the workforce is aging, the “Generation Y” workers are less skilled and experienced than the previous generation and they are also less loyal to their company.^[3] Under these circumstances, companies face challenges in attracting and retaining the new generation of talents.

Second, changes in the business environment affect the quantity, quality, and characteristics of the required talents. With the development of economic globalization, multinational companies (MNCs) have become more closely connected and labor mobility across borders has become increasingly common.^[3] As the social and cultural backgrounds of each country differ, many MNCs face challenges in terms of attracting, utilizing, and retaining talents in different national contexts.

Third, the integration of information technology and knowledge economy has brought about changes in work. In the era of the knowledge economy, the development of information technology has changed the traditional way of working and accelerated the speed of knowledge and information acquisition among knowledge-based employees which makes it more difficult for enterprises to manage these employees. In the knowledge-based economy, highly educated people are less flexible yet more mobile for companies and it has become increasingly difficult to attract and retain talented people.^[3]

3. Information superhighway (infobahn)

3.1. Concept and background

Infobahn is the deep integration of internet innovations with various fields of economy and society in the internet era, promoting technological progress, efficiency, and organizational changes, as well as enhancing the innovation and productivity of the real economy, thus forming a new form of economic and social development with the internet as the infrastructure and innovation factor. As the internet with various fields have become an unstoppable trend of the times, the talent managements of enterprises should conform to the infobahn trend in order to become the new driving forces in their own economic development which is of great significance to realize the improvement of quality, efficiency, upgrading, and transformation of enterprise managements.^[4]

3.2. Changes and new features

3.2.1. Informatization

Talent management based on internet technology has a high level of information management. The information management network system structure produces a certain scale which facilitates the storage and application of relevant data and information in addition to an accelerated pace of information collection and transmission.^[4]

3.2.2. Combining online and offline

The internet technology makes it possible to closely link and combine online platforms with offline management methods.^[4] In addition to using offline management to handle complex tasks, such an approach improves and optimizes the related allocation methods for talent management and attracts more talented people to the company.

3.2.3. Combining online and offline

With data management, TM analysis develops in a more objective direction, thus improving the rational effectiveness of companies’ TM decisions and eventually building on to the level of TM.^[4]

3.3. New strategies and recommendations

3.3.1. Strengthen the use of data

Today, the core of TM is the digitalization of decision-making. Companies should consider talent development from a data-based perspective. Big data and information-based enterprise analytics have not only become the key in optimizing talent capital allocation and management but the close integration of TM systems with data and information would also reduce companies' confusion regarding related resources which not only reduces the amount of digital TM work but also saves the companies' management costs.

3.3.2. Management platform

The suggested service platform for TM is a three-pillar entity model. This type of model divides a company into a data-sharing shared service center (SSC) platform, a CEO authoritative expert service platform, and a human resource business partner (HRBP) application process.^[5] Under the three-pillar entity model, TM has new job responsibilities and their managers can immediately grasp business processes and operations based on the platforms while communicating and discussing with their employees.

3.3.3. Business networking

Companies should transform their talent management into an "Internet + service platform + community" approach. This new management method can stimulate employees to innovate logically, learn and train through the internet, interact with authoritative experts through online communication, and enable a large number of employees to participate in TM and grow rapidly.^[4]

4. Sharing Economy

The sharing economy is booming along with the continuous optimization and advancement of internet technology and under the model, enterprises are also ushering in a new talent revolution. In the era of sharing economy, the traditional talent management methods can no longer adapt to the requirements of economic development in the current period and stage.^[6] Therefore, it is necessary to build a new multi-level and all-around talent management model.

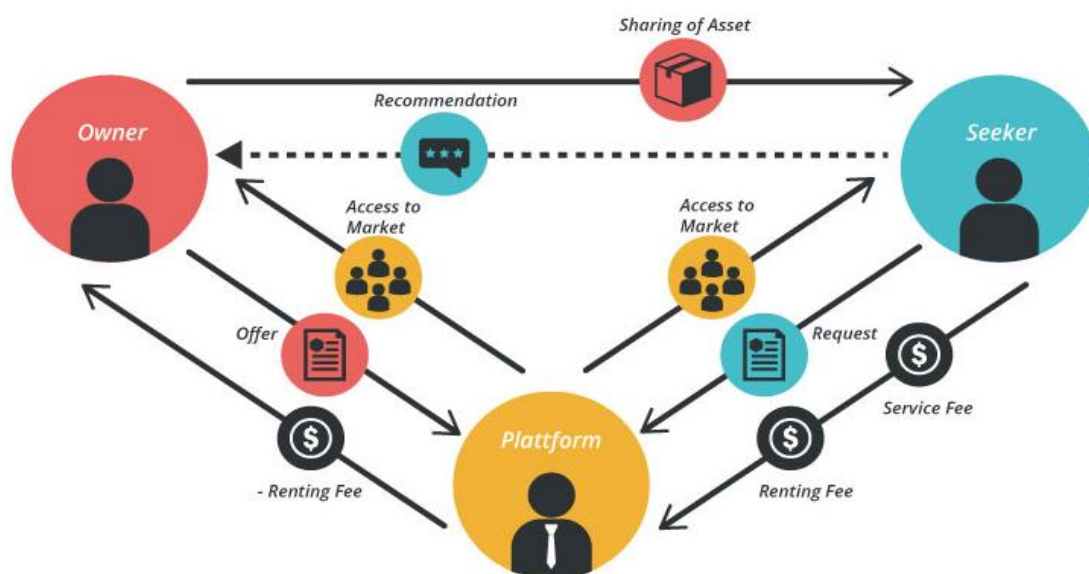


Figure 1. Sharing economy

4.1. Concept and theories

The concept of sharing economy was first introduced by Felson and Spaeth in 1978 based on the human

ecology theory in which it was defined as a series of economic activities that facilitate the lives of people by sharing resources with friends and family in terms of food, clothing, housing, and transportation.^[7] Since then, many scholars have conducted series of studies on sharing economy. In 2012, Lamberton mentioned that sharing economy refers to a society in which the members do not have to take ownership of a product but only pay a certain amount of money for the right to use it.^[7] In 2015, Andruss further added that sharing economy is an economic activity in which one party offers its assets for use and sharing in return for material or immaterial rewards.^[7]

4.2. New trends

4.2.1. Broadening the scope of enterprise talents

Under the traditional economic model, the human resources of an enterprise refer to employees who have established formal labor-employment relationships with the enterprise and have received certain economic or non-economic rewards for their work^[8]. However, in sharing economy, the human resources of enterprises are not limited to employees in formal labor-employment relationships but they also include those who have not signed any formal labor contracts with the enterprises yet have contributed their time, experiences, and resources to the development of the enterprises and have received a series of economic or non-economic rewards^[8]. Therefore, the talent capitals of a company in sharing economy do not only include internal employees who have signed formal employment contracts but also involve stakeholders outside the company's human resources system.

4.2.2. Blurring of team boundaries

In the traditional economic model, the boundaries of employees' departmental affiliation are relatively clear. However, in sharing economy, employees are not clearly assigned to personnel relationships instead they are divided into different modules based on individual competencies which are only designed to facilitate the identification of employees' competencies but not administrative control.^[8] The company selects employees whose competencies match the requirements of different tasks to form a new temporary team where there is no competition between team members from various departments.

4.2.3. Human capital enhancement orientation

Training and education for employees is an investment in both the traditional and sharing economy. In addition to ensuring that basic training activities are conducted, employee trainings in sharing economy should identify employees whose potential competencies match the tasks according to different tasks requirements while carefully analyzing the required competencies to complete the tasks in order to focus on training these employees and improve the matching degree of task requirements. This eventually would promote tasks completion with better professional quality and create excellent personal performances.^[8]

4.2.4. Relying on informationization platforms

Third-party sharing economy platforms are important aspects of sharing economy and they often require the use of modernized information technology. The broad talent structure makes talent management much more difficult. If traditional management methods are adopted, the management range and level of each leader will be greatly increased which significantly reduces management efficiency.^[8] On the other hand, the marketization of performance appraisal requires the help of third-party settlement platforms such as PayPal which strengthens the security of funds and solve the trust issues between the supplier, platform, and demand side.^[8]

4.3. Recommendations

4.3.1. Establishing a strict regulatory system

Under the sharing economy model, the talent scope of enterprises is broader which includes both the internal talents and external stakeholders; hence the composition of talents is more complicated. Companies should standardize talent management by combining market feedbacks and consumer evaluations not only to build highly skilled teams but also high quality teams while striving for both, economic and social benefits.

4.3.2. Focus on cultural leadership

Although the talent management mode of enterprises has undergone series of changes under the sharing economy model, the scope of talent has become broader in addition to more complex management practices. Integrating the existing resources and ensuring the steady progress of all activities have become major issues for enterprise managers to consider in regard to sharing economy. Therefore, it is important to shape the culture, to lead the internal staff and external stakeholders with culture, and to raise their awareness and voluntariness in the same cultural context.

5. Self-initiated expatriates (SIEs)

One of the biggest challenges in global talent management is the talent shortage which for a long time, it has been filled by organizations using assigned expatriates (AEs).^[9] Today, a new breed of an internationally mobile and diverse workforce; the self-initiated expatriates (SIEs) has attracted the attention of enterprises and has become the new approach.^[9]

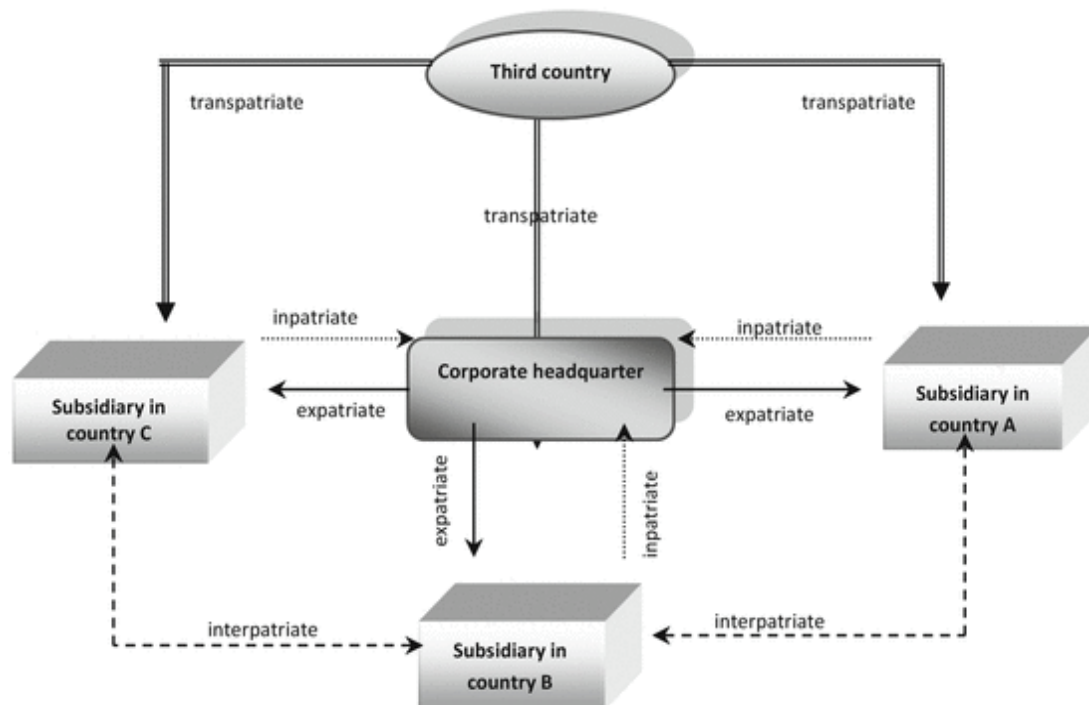


Figure 2. Expatriate versus self-initiated expatriate in multicultural workplace of MNCs

5.1. New feature and trend

5.1.1. Motivation for expatriation

Self-initiated expatriates choose to work and live abroad for various reasons including career development, international experiences, economic and political environment, quality of life, as well as interpersonal relationships.^[10]

5.1.2. Career

The career of self-initiated expatriates denotes their borderless and volatility characteristics.^[10] With a borderless career path, a self-initiated expatriate moves across multiple countries, geographical locations, and organizations to achieve his or her personal development goals.

5.1.3. Personal adjustment capability

Compared to traditional expatriates, self-initiated expatriates are more motivated and open-minded, have better adaptability, as well as a wider social network in the host country.^[10]

5.2. Strategies and recommendations

Global talent management for self-initiated expatriates at the organizational level should explore a diversity of management strategies including organizational culture, global talent pools and recruitment, job design, as well as HR support.

5.2.1. Develop an inclusive and diverse organizational culture

On the one hand, the cultural diversity of self-initiated expatriates creates a dynamic business environment for multinational organizations while on the other hand, the synergistic effect of cultural diversity brings forth development opportunities for these organizations. The development of an inclusive organizational culture is not only conducive to the acceptance of diversity by members of the organization but also to the sharing of knowledge and skills between expatriates and other members of the company.^[10]

5.2.2. Establish a global talent pool

The establishment of a global talent pool can effectively address the risks associated with inappropriate matching of talent supply and demand.^[10] First, global talent pools enable organizations to recruit prospectively and create a regular “talent pool” for the organization, thus effectively addressing the risk of mismatch between talent supply and demand. Second, due to the breakthrough of nationality and geographical restrictions, self-initiated expatriates with high skills and potential can be included in the global talent pool, thus further expand the global talent pool. Finally, the global talent pool provides employees with more opportunities and space for advancement which in turn allows the organization to retain high-potential self-employed expatriates.

6. Conclusion

Talent management is the key to success of an enterprise. Talent management should be integrated into the development process along with time. In this way, the integration with new trends of TM provides the best way to build a multi-dimensional and comprehensive team to meet the new requirements in the infobahn era in facing the new form of shared economy and dealing with the increasing number of self-initiated expatriates, thus enhancing the operation and management capabilities for optimizing human capital.

Disclosure statement

The author declares no conflict of interest.

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