

INNOVATIVE APPROACHES TO TALENT IDENTIFICATION AND DEVELOPMENT FOR SUCCESSION PLANNING

N. A. Nwokoro Ph. D¹ & David Augustine Okey² & Inemesit Jerome³

¹Department of Business Administration K. O. Mbadiwe University Ogboko, Ideato South, Imo State.

²Faculty of Law and Social Sciences, University of Derby, United Kingdom.

³Department of Marketing Akwa Ibom State Polytechnic, Ikot Osurua, Ikot Ekpene.

Corresponding Email: aginangozi@yahoo.com¹; daveaugustine435@gmail.com²;
inemjay@yahoo.com³

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ABSTRACT

In today's burgeoning business sector, talent identification and development have emerged as critical strategic priorities for organizations seeking to maintain a competitive edge. As the workforce dynamics shift and the war for talent intensifies, companies are increasingly recognizing the importance of attracting, nurturing, and retaining top talent to drive long-term success and sustainability. This paper explores the concept of talent identification and development, exploring its evolution, significance, and the challenges organizations face in implementing effective talent management strategies. It examines the various perspectives on talent, including the debate surrounding innate abilities versus the potential for growth and development. Additionally, the paper highlights the importance of talent identification and development in ensuring seamless succession planning, preserving institutional knowledge, and fostering a culture of continuous learning and employee engagement. Additionally, the paper addresses the multifaceted challenges organizations encounter in talent identification and development, such as the lack of consistent approaches, resource constraints, organizational culture barriers, and the need for continuous upskilling and reskilling. It also emphasizes the crucial role of robust assessment methodologies, tailored development programs, cross-functional collaboration, and the alignment of talent management efforts with strategic organizational goals. In closing, the paper provides recommendations for organizations to navigate these challenges effectively, including fostering a growth mind-set culture, implementing unbiased assessment techniques, investing in personalized development opportunities, promoting talent mobility, and aligning talent management with long-term strategic objectives. By adopting a holistic and strategic approach to talent identification and development, organizations can cultivate a sustainable talent pipeline, drive innovation, and position themselves as industry leaders in an increasingly competitive market.

INTRODUCTION

Talent management is a firm-wide, holistic approach for selecting, developing, and retaining employees to achieve business objectives and continuous growth. While executives have always been focused on hiring the 'right people', recent challenges in the labor market have contributed to an increasing attention towards the strategic planning of human capital within the firm (Fernández-Aráoz 2014). The probably largest challenge is the demographic change which causes a shrinking talent pool, thereby creating a huge gap in the current and future human capital supply. Accordingly, organizations frequently voice their concern about the leaking pipeline of talent. Surveys show that 56% of the executives are concerned about the ability to have sufficient successors to fill leading positions, and 62% of CEOs question the availability of talented workforce to operate their organization in the future (Fernández-Aráoz et al.2011; Boston Consulting Group 2010; PriceWATERHouse 2014). Macroeconomic predictions amplify these concerns by forecasting decreasing labor force participation rates, as well as a skill mismatch in the labor market that forces highly skilled employees to take low-level skill jobs without opportunities to apply and develop their talent (see, e.g.,Bureau of Labor Statistics 2013; Eurostat 2017).

In addition to the threat of scarce talent, the growing trend towards a knowledge intensive economy demands a new composition of skills (Powell and Snellman 2004). Innovative technologies allow the automation of more and more processes, which puts a wide range of occupations such as transportation and logistics or administrative work at risk. This in turn causes especially the knowledge and skills to perform routine tasks to become obsolete, and pressures employees to acquire more creative and social skills which are necessary in jobs that are less susceptible to automation (Frey and Osborne, 2017). Consequently, when being asked about future competencies of auditors at a recent auditing conference, the partners unanimously agreed that the need for technical skills to accomplish typical audit routine tasks, such as assessing audit evidence, will be replaced by the demand for soft skills. Communication skills, teamwork abilities, and leadership skills are gaining ground (Foundation for Auditing Research 2017). This requirement extends to multiple firms and industries: a survey among firm executives indicates that nowadays the level of soft skills is one of the major factors taken into account when evaluating the potential of job candidates (Robles 2012). Moreover, technical advancements and knowledge is accessible to many firms to help boost efficiency and productivity. However, firms can differentiate themselves by hiring the employees who have the unique talent and ideas to move the firm forward, and capitalize on upcoming opportunities. That means, the composition of a firm's human capital has an impact on the innovativeness of the firm, thereby forming a potential competitive advantage. This potential magnifies for firms whose organizational success is entirely contingent on their human capital such as professional service firms (Hitt et al. 2001; McCabe 2016).

OVERVIEW OF TALENT IDENTIFICATION AND DEVELOPMENT

In ancient Syria, Babylonia, Greece and the Roman Empire, the word talent was a denomination of weight, and later surfaced in the Bible as a monetary unit. As of the medieval ages, the word talent developed into the word as we know it today, referring to natural ability and aptitudes. Nowadays in our modern languages, talent refers to an innate giftedness, which is regarded as a gift. (Tansley, 2011). Tansley (2011) recognizes five different perspectives of talent for individuals: talent as certain behaviors, a combination of high performance versus high potentials, talent as high potentials, talent as high performance, and talent as individual strengths – where individual strengths can be almost everything that a person is good at. Because we have so many different views on what a talented person is, the issue becomes that we do not have a common language for speaking of talent. Stuart-Kotze & Dunn (2008, p. 10ff) present their idea which focuses on what is visible and can be measured - namely behavior - and they define talent as the ability and capability to do something well. Ability refers to the current performance and capability to the potential performance. Different views on talent have also been identified in organizations. According to Yarnall (2011), the definition of talent differs, from focusing on certain individuals in an organization, having a certain number of characteristics that describe talent, to the concept referring to statements of need. People also have different views on whether talent is static or can be developed. Burkus & Osula (2011) state that common misconceptions about talent are that talent is innate, that it can be bought and that talent can be identified and developed at an early stage. The psychologist Carol Dweck developed the concept of mindset, in which there are two kinds of people: those with a fixed mindset and those with a growth mindset. People with a fixed mindset believe that their talent is static and do not try to develop it. Meanwhile, people with a growth mindset try to develop their talents through practice and hard work. Dweck means that great people all have a growth mindset. (Dweck, 2013). According to Wikström et al (2012, p. 105ff), a deliberate training is what separates the best from the others. Tansley (2011, p. 268) notes that her favorite definition of talent was presented by Gagné: "talent designates the superior mastery of systematically developed abilities and knowledge in at least one field of human endeavour". Our language makes us believe that talent is static, however talent can actually be developed.

The concept of talent identification and development has evolved significantly over time, reflecting the changing needs and priorities of organizations. In today's rapidly shifting business landscape, organizations prioritize the strategic acquisition and cultivation of talent to maintain a competitive edge. Tansley (2011) emphasizes that talent management practices should align with an organization's overall strategy, values, and culture, enabling the identification and development of individuals whose skills and abilities align with the organization's goals. Effective talent identification and development processes encompass various elements, including robust assessment methodologies, targeted training and development programs, and structured career progression pathways. Organizations may employ a range of assessment techniques, such as psychometric testing, situational judgment exercises, and competency-based interviews, to evaluate candidates' potential and identify areas for growth (Stuart-Kotze & Dunn, 2008). Furthermore, organizations invest in tailored development initiatives, such as coaching, mentoring, job rotations, and leadership development programs, to nurture and refine the skills of their talented workforce (Yarnall, 2011). By fostering a culture of continuous learning and providing opportunities for

professional advancement, organizations can retain and maximize the potential of their top talent, ultimately driving sustainable success.

Talent Identification Process in Business Organizations

The talent identification process in business organizations is a crucial aspect of human resource management and strategic workforce planning. It involves identifying individuals within the organization or potential candidates who possess the necessary skills, competencies, knowledge, and potential to contribute significantly to the organization's success and growth. This process aims to ensure that the organization has the right talent in the right roles, enabling it to achieve its strategic objectives and maintain a competitive advantage.

The talent identification process typically involves the following key steps:

- **Defining organizational needs and competencies:** Organizations start by identifying the critical roles, skills, and competencies required to drive business success. This involves analyzing the organization's strategic objectives, future goals, and anticipated workforce needs.
- **Talent assessment and evaluation:** Organizations assess and evaluate existing employees, as well as potential candidates, through various methods, such as performance appraisals, competency assessments, psychometric tests, interviews, and simulations. This helps identify individuals with the desired skills, knowledge, and potential for growth.
- **Talent profiling and mapping:** Organizations create talent profiles for individuals, mapping their strengths, weaknesses, aspirations, and potential for development. This information is then used to align talent with organizational needs and create succession plans.
- **Talent development and planning:** Based on the identified talent pool, organizations develop strategies for retaining, developing, and nurturing these individuals. This may involve providing training and development opportunities, creating career paths, offering mentoring programs, and implementing succession planning initiatives.
- **Continuous monitoring and evaluation:** The talent identification process is an ongoing cycle. Organizations continuously monitor and evaluate the performance and growth of identified talent, making adjustments as needed to ensure alignment with changing business needs and strategic objectives.

Effective talent identification processes require a combination of robust assessment tools, data-driven decision-making, and a commitment to developing and retaining top talent. By implementing a well-designed talent identification process, organizations can build a highly capable and engaged workforce, fostering a competitive advantage and promoting long-term success.

Talent Development and Efficient Succession Planning

In today's fast-paced and ever-evolving business environment, organizations must proactively address the critical challenge of talent development and succession planning. As Baby

Boomers retire and the workforce landscape shifts, companies risk facing talent shortages, knowledge gaps, and leadership vacuums. Consequently, developing and retaining top talent has become a strategic imperative for long-term organizational success and sustainability. Firstly, talent development initiatives play a pivotal role in nurturing and maximizing the potential of an organization's workforce. Effective talent development programs encompass various strategies, such as mentoring, coaching, job rotations, and targeted training programs (Garavan et al., 2012). By investing in these initiatives, organizations can cultivate a culture of continuous learning, enhance employee engagement, and ensure that their talent pool remains aligned with evolving business needs. Moreover, talent development fosters a growth mindset among employees, encouraging them to embrace challenges, acquire new skills, and proactively seek opportunities for professional advancement (Dweck, 2006).

Secondly, efficient succession planning is inextricably linked to talent development, as it ensures a seamless transition of leadership and critical roles within the organization. Effective succession planning involves identifying high-potential individuals, assessing their strengths and development areas, and providing them with tailored developmental experiences to prepare them for future leadership positions (Rothwell, 2010). This process mitigates the risk of disruptions caused by unexpected departures or retirements and promotes organizational continuity. Also, a well-designed succession plan can enhance employee retention by demonstrating a commitment to internal career progression and providing clear career pathways (Greer & Virick, 2008). Talent development and efficient succession planning are strategic imperatives that enable organizations to build a sustainable competitive advantage. By investing in talent development initiatives and implementing robust succession planning processes, companies can cultivate a skilled, engaged, and adaptable workforce, while ensuring seamless leadership transitions and minimizing operational disruptions. As the war for talent intensifies, organizations that prioritize these crucial aspects of talent management will be better positioned to attract, retain, and optimize their human capital, ultimately driving long-term success, growth and succession strategies.

Effect of Succession Planning and Firm Continuity

Succession planning is a critical component of an organization's talent management strategy, playing a pivotal role in ensuring long-term organizational continuity and stability. Effective succession planning not only addresses the inevitable leadership transitions but also contributes to the overall sustainability and competitiveness of the firm. To begin with, a well-designed succession plan safeguards against potential disruptions and knowledge gaps that may arise from unexpected departures or retirements of key personnel. By identifying and grooming high-potential employees for critical roles, organizations can seamlessly transition leadership responsibilities, minimizing operational disruptions and maintaining business continuity (Rothwell, 2010). This proactive approach ensures that the firm's intellectual capital, strategic vision, and institutional knowledge are preserved, enabling a smooth transition and mitigating the risks associated with sudden leadership changes.

Likewise, succession planning fosters a culture of continuous learning and development within the organization. By providing structured career paths and development opportunities, companies can cultivate a pipeline of talented individuals equipped with the necessary skills,

knowledge, and experience to assume future leadership positions (Greer & Virick, 2008). This collaborative approach not only enhances employee engagement and retention but also promotes a shared understanding of the organization's strategic objectives, values, and culture, ensuring a consistent and cohesive approach to leadership and decision-making. Notably, effective succession planning can serve as a competitive advantage for firms, attracting and retaining top talent. Employees, particularly those with high potential, are more likely to remain committed to an organization that invests in their professional growth and provides visible opportunities for advancement (Conger & Fulmer, 2003). By demonstrating a commitment to developing internal talent and offering clear career progression pathways, organizations can foster a sense of loyalty and increase employee retention, ultimately reducing the costs associated with turnover and external recruitment. Succinctly, succession planning plays a crucial role in ensuring firm continuity by mitigating risks, preserving institutional knowledge, fostering a culture of continuous development, and enhancing employee engagement and retention. By proactively addressing leadership transitions and cultivating a talent pipeline, organizations can maintain operational stability, sustain competitive advantage, and position themselves for long-term success in a rapidly evolving business landscape. Succession planning can affect firm continuity in the following ways:

Preserving institutional knowledge and expertise:

- Ensures the transfer of critical knowledge and skills from outgoing leaders to successors.
- Minimizes the loss of valuable intellectual capital and industry-specific expertise.
- Maintains operational efficiency and continuity of business processes.

Mitigating leadership vacuum and operational disruptions:

- Proactively identifies and prepares successors for key leadership roles.
- Enables seamless transitions during leadership changes.
- Prevents operational disruptions caused by sudden vacancies in critical positions.

Fostering a culture of continuous learning and development:

- Provides structured career progression pathways and development opportunities.
- Cultivates a talent pipeline of skilled and experienced future leaders.
- Promotes a shared understanding of the organization's vision, values, and strategic objectives.

Enhancing employee engagement and retention:

- Demonstrates the organization's commitment to investing in talent development.
- Increases employee motivation and loyalty by offering clear advancement opportunities.
- Reduces costly employee turnover and the need for external recruitment.

Maintaining strategic direction and organizational stability:

- Ensures the continuity of the organization's strategic vision and decision-making processes.
- Promotes consistency in leadership approaches and organizational culture.
- Provides a stable foundation for long-term growth and adaptation to changing market conditions.

Strengthening competitive advantage and reputation:

- Positions the organization as an employer of choice, attracting top talent.
- Enhances the firm's reputation for effective talent management and leadership development.
- Contributes to long-term organizational sustainability and competitiveness.

Challenges of Talent Identification and Development

While talent identification and development are critical for organizational success, they present several significant challenges that must be effectively addressed. These challenges can arise from various factors, including organizational culture, resource constraints, and the complexity of assessing and nurturing talent. Firstly, one of the primary challenges organizations face is the lack of a consistent and reliable approach to identifying and assessing talent. The definition of talent itself is often subjective and can vary across different organizations and industry sectors (Tansley, 2011). This ambiguity can lead to inconsistent evaluation criteria, biases, and ineffective talent identification processes. Furthermore, many organizations rely heavily on traditional performance metrics, which may overlook individuals with high potential but limited opportunities for growth or development (Silzer & Church, 2009). Moreover, developing and retaining identified talent can be a daunting task for organizations. Providing tailored training programs, mentoring opportunities, and career advancement pathways requires significant resource allocation and a strong commitment from leadership (Garavan et al., 2012). Failure to invest adequately in talent development initiatives can result in disengaged employees, high turnover rates, and a loss of valuable human capital. Moreover, the rapid pace of technological advancements and changing business landscapes necessitates continuous upskilling and reskilling efforts, further compounding the challenges associated with talent development (Deloitte, 2019).

Additionally, organizational culture can pose a significant barrier to effective talent identification and development. In some organizations, a fixed mindset towards talent may prevail, where individuals are perceived as possessing static abilities that cannot be developed (Dweck, 2006). This mindset can hinder efforts to nurture and cultivate talent, as well as create an environment that discourages continuous learning and growth. Additionally, lack of transparency, poor communication, and siloed organizational structures can impede talent mobility and cross-functional collaboration, limiting opportunities for talent development and knowledge sharing (Stahl et al., 2012).

To overcome these challenges, organizations must adopt a strategic and holistic approach to talent identification and development. This involves fostering a growth mindset culture that values continuous learning and development, implementing robust and unbiased assessment methodologies, and allocating sufficient resources to talent development initiatives.

Furthermore, effective communication, cross-functional collaboration, and transparent career progression pathways are crucial for creating an environment conducive to talent cultivation and retention.

CONCLUSION

In the ever-evolving business landscape, talent identification and development have emerged as critical components of organizational success and sustainability. As companies strive to maintain a competitive edge, the ability to attract, nurture, and retain top talent has become a strategic imperative. However, navigating the complexities of talent management presents numerous challenges that must be effectively addressed. Despite these challenges, organizations that prioritize talent identification and development stand to reap significant rewards. By fostering a culture of continuous learning and growth, companies can cultivate a highly skilled and engaged workforce, capable of driving innovation and adapting to changing market demands. Effective talent management practices not only enhance employee retention and motivation but also contribute to overall organizational performance and competitiveness (Becker & Huselid, 2006).

RECOMMENDATIONS

To effectively navigate the challenges of talent identification and development, organizations must adopt a strategic and holistic approach.

Encourage a mindset that embraces continuous learning, development, and the belief that talents can be nurtured and grown over time (Dweck, 2006). This shift in organizational culture can be facilitated through leadership commitment, ongoing training, and recognition for growth and development.

Adopt a multi-faceted approach to talent assessment that combines various techniques such as psychometric testing, situational judgment exercises, and competency-based interviews (Silzer & Church, 2009). This comprehensive approach can help mitigate biases and ensure a more objective evaluation of potential.

Provide customized training, mentoring, coaching, and job rotation opportunities that align with individual strengths, development needs, and career aspirations (Garavan et al., 2012). Personalized development plans can enhance engagement, retention, and optimize the growth of identified talent.

Break down organizational silos and encourage cross-functional collaboration, knowledge sharing, and talent mobility (Stahl et al., 2012). This approach exposes employees to diverse perspectives, fosters skill development, and creates opportunities for talent identification across the organization.

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