

# Designing An Effective Talent Management (TM) System To Meet The Challenges In The Health Care Industry

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**Abstract:** Talent Management – the modern Human Resource Management mantra's main operation in the organization is to attract, retain, motivate and develop the talented people for the need now and in the future. Manufacturing sectors were effectively managing the talent management system. But health care industry especially in hospital, one of the complex industries is having lot of issues in implementation and maintaining of talent management system. The present study is aimed to determine the various challenges faced by hospital industry in concern to talent management, to determine the factors to be considered for formulating strategy in talent management and evaluate the formulated talent management system economically and operationally to determine the effectiveness and efficiency. In the descriptive study, to determine the various challenges faced by health care industry, interview method is used under stratified random sampling with strata PPP (Provider, Professional and performer). 84 samples from each stratum were interviewed. To the same stratum, questions were also posed to determine the key factors for strategy formulation. Based on the factors recommended, talent management Strategy is formulated and implemented. Implemented talent management system is evaluated operationally and economically to quantify the performance. Performance outcome of the talent management system is computed quantitatively against the former human resource system practice. Post implementation of talent management system, 23 % improvement in retention of high performers, reduced staffing costs by 53.21 %, reduced staffing cycle times by 61 % and reduced vacancy rates by 39 % and improvement in leadership skills by 83 %. Revised talent management system has generated benefit to cost ratio of 3.29 in comparative to 1.16 of former human resource system practice. Study concluded that formulated talent management system is effective and efficient in producing quantifiable improvement in the health care system comparative to traditional human resource system practiced earlier.

**Keywords:** Talent management, Human resource system, Performance outcome, Staffing Cost

## I. INTRODUCTION

Talent management refers to the process of developing and integrating new workers, developing and retaining current workers and attracting highly skilled workers to work for an organization. Talent management was a process that emerged in the 1990s and continues to be adopted, as more organization come to realize that their employees' talents and skills drive their business success. The issue with many organizations today is that their organizations put tremendous effort into attracting employees, but spend little time into retaining and

developing talent. A talent management system must be worked into the business strategy and implemented in daily processes throughout the organization as a whole. It cannot be left solely to the human resources department to attract and retain employees, but rather must be practiced at all levels of the organization. The major components associated with talent management system were:

- ✓ Sourcing, attracting, recruiting and on boarding qualified candidates with competitive backgrounds
- ✓ Managing and defining competitive salaries
- ✓ Training and development opportunities

- ✓ Performance management processes
- ✓ Retention programs
- ✓ Promotion and transitioning

In current economic conditions, many organizations have felt the need to cut expenses. This should be the ideal environment to execute a talent management system as a means of optimizing the performance of each employee and the organization. However, within many organizations the concept of talent management or human capital management has just begun to develop. In fact, only 11 % of organizations have told that they have a clear talent management strategy and operational programs in place today. At the same time, other industries were comparatively better in talent management system implementation than health care industry. In the Healthcare Industry, personnel costs represent the largest component of total spending (40 percent to 70 percent). There are high overall employee costs, a high ratio of employee costs to capital costs and limited spending on activities like R & D. According to a recent Witt Kieffer survey, more than 60% of Healthcare organizations have no formal program to develop current or future executives. Impacted by increased demand for services by an aging population and individuals experiencing stress-related health conditions, plus a dwindling supply of talent to provide these services, the healthcare industry is now challenged to control overhead and improve profit margins while maintaining quality-despite a shortage of qualified workers. Since finding and keeping the right highly skilled, specialized employees directly impacts the bottom line, healthcare employers must focus intently on strategic talent management practices to maximize and maintain their talent investment. The failure factors which were common in health care talent management system:

- ✓ A Weak Employer Brand
- ✓ Poor or Non-Existent Workforce Plan
- ✓ Ineffective Retention Efforts
- ✓ Weak Recruiters
- ✓ Weak or non-existent Referral Program
- ✓ Reactive Hiring & Retention
- ✓ Weak or non-existent Recruitment Plans
- ✓ Little or no use of HR/TM Technology
- ✓ Little or no leadership development
- ✓ Poor or non-existent Succession Planning

## II. REVIEW OF LITERATURE

A detailed survey relating to talent management system has been carried out based on various research papers, journals, reviews were given below:

The study of Dr. Jeevan Jyoti empirically examines the extent to which Talent Management and Employee Effectiveness are correlated and its impact on Employee Effectiveness. The proposed model and hypotheses were tested by using data collected from all showrooms cum service station's employees of Maruti Udyog Ltd. in Jammu province. Univariate, bi-variate and multi-variate techniques were used for data analysis. The results of structure equation modeling revealed a significant relationship between Talent management and employee effectiveness. The implications of

research findings have impact of talent management in employee effectiveness.

The Ernst & Young report, entitled managing today's global workforce: elevating talent management to improve business, shows a correlation between investment in talent management programs and improved business performance. The report is based on a survey of more than 340 global CEOs, CFOs, COOs and VPs of Human Resources from Fortune 1000 companies. The survey examined the numerous components that make up successful global talent management programs and showcases how these practices differ around the world. An analysis of the data shows that talent management programs were aligned with business strategy enjoyed the higher return comparative to non-aligned organization.

The study of Dr. William Webner discusses the talent management processes of Edwards Life sciences Corp. (Edwards), the world's leading heart valves and hemodynamic monitoring company. It discusses how having talent in key areas helps foster innovation in the organization and results in obtaining a competitive advantage. The talent management initiatives at Edwards included a meticulous process to identify the organization's mission critical jobs, talent acquisition, succession planning, training and development and evaluation. Edwards's talent management process had resulted in gaining a competitive advantage.

The study of Dr. Richard N Joel presents a systemic approach to talent management (TM) that reflects the interplay of 6 core human capital processes needed to build leadership capability. Faced with the pressure of meeting an aggressive growth plan, the Yale New Haven Health System (YNHHS) developed a TM model that drew the link between various human capital processes which enabled the organization to more effectively identify, develop and place future leaders in key positions that were needed to execute the organization's growth plans.

From the review, it was clearly understood that talent management system had greater impact on outcome in other sectors and request for study in health care sector too.

## III. STATEMENT OF PROBLEM

In an organization, there is nothing more crucial than fitting the right employee in the right position. Health care, one of the complex industries is having lot of issues (limited talented manpower, high turnover, economic factor and aged manpower population etc.) in maintaining talent management and also has created its own set of HR challenges. Many studies conducted in talent management system of health care has limited in determining challenges, failed to evaluate from all the perspective and also failed in quantifying the outcome. Hence there is strong need for study to determine challenges faced by health care industry in implementing talent management from the perspective of PPP- provider (Employer and Senior Management), Professional (HR and Middle Management) and Performer (Employee) and to design effective talent management strategy to meet the challenges. Finally the strategy is evaluated in the system for its effectiveness and efficiency. Overall, this study helps in

developing strategy to manage talent management in health care (hospital service) industry.

#### IV. OBJECTIVES

- ✓ To determine the various challenges faced by health care industry in concern to talent management.
- ✓ To determine the factors to be considered for formulating strategy in talent management to meet the challenges.
- ✓ To design an effective talent management strategy framework.
- ✓ To evaluate the talent management framework to quantify the performance.

#### V. RESEARCH METHODOLOGY

It is Descriptive Study. The study has been approved by the ethical committee of Aster Medcity and also respondents were explained clearly about the study and got the consent for using their responses. In this study for determining key challenges interview method is used under stratified random sampling with strata Provider, Professional and performer. 84 samples from each stratum were interviewed. To the same stratum, questions were also posed to determine the key factors for strategy formulation. Based on the factors recommended, talent management Strategy is formulated and implemented. Implemented talent management system is evaluated operationally and economically to quantify the performance. Performance outcome of the talent management system is computed quantitatively against the former human resource system practice. Outcome of the study includes economic evaluation and performance evaluation. Finally the outcome of the study will be guiding factor to recommend to other hospitals.

#### VI. RESULTS

Demographic details of the respondents, PPP- provider (Employer), Professional (HR) and Performer (Employee) were given below:

N = 84 in each strata

S. No.	Factors	Provider	%	Professional	%	Performer	%
1	Age Group < 25 Yrs	0	0	4	5	13	15
	26 – 35 Yrs	11	13	26	31	28	33
	36 – 45 Yrs	27	32	22	26	21	25
	46 – 55 Yrs	21	25	19	23	17	20
	56 – 65 Yrs	12	14	12	13	4	5
2	Gender Male	54	64	49	58	44	52
	Female	30	36	35	42	40	48
3	Educational Qualification UG	4	5	1	2	12	14
	PG	59	70	58	69	63	75
	PHD and above	21	25	25	29	9	11
4	Marital Status Single	0	0	3	4	9	11
	Married	62	74	74	88	70	83
	Others	12	14	7	8	5	6

Table 1: Demographic Details Frequency and Percentage

With respect to age category in Provider, Professional and performer, majority of the population fall in 36 -45 years and

26 - 35 years. With respect to gender, at professional and performer level, the margin between male and female is very close which means that institution is working on equal gender employment. On education, most of the people were Post graduation qualified and on marital status major population is falling in married category.

Challenges faced by the health care industry on Talent Management system from the perspectives of provider, professional and performer.

S. No.	Factors ranked highest	Frequency	%	Explanation
1	Linking to core business	27	32	Difficulty in linking talent management strategy to core business strategy
2	Outcome focus	21	25	Health care is focusing on outcome not on process. Talent management is focusing on process. Challenge is on conversion of focus from outcome to process.
3	Costing	16	19	Cost involved in implementing and maintaining talent management
4	Time management	9	11	Difficulty in providing dedicated time in practicing talent management along with routine health care system practice.
5	Gap in Follow up	7	8	Difficulty in follow-up of implemented system
6	Standardization	4	5	Difficulty in conversion of talent management operations as standard in health care.

Table 2: Challenges faced by Health care industry on Talent Management – Provider's Perspective

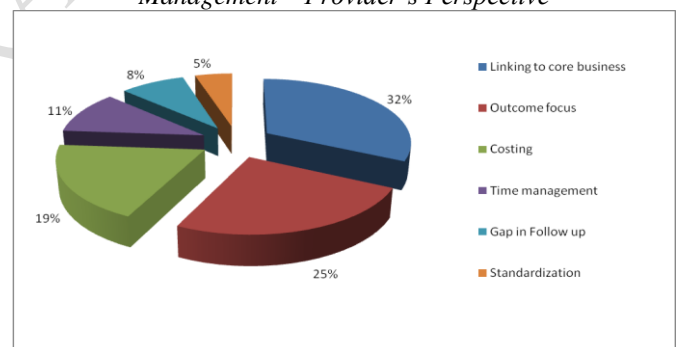


Figure 1: Challenges faced by Health care industry on Talent Management – Provider's Perspective

S.No.	Factors ranked highest	Frequency	%	Explanation
1	Competency Match	24	29	Difficulty in matching the competency to professionals. Current generation does not have enough competencies to meet the standard.
2	Aging	19	23	Health care currently constituting major composition of age group is aged. It is biggest hindrance to implement talent management system.
3	Regulation	16	19	Health care regulation in manpower is focusing mainly on head count not on talented manpower.
4	Turnover	14	16	Health is accepted globally hence this is the area having highest turnover than any other sector.
5	Outdated Process	7	8	Health care sector does not have modern evaluation tools to select the

				candidate or managing the existing work group. Conversion to modern recruitment and selection process is biggest challenge.
6	Shortage	4	5	Health care sector by nature having limited professionals.

Table 3: Challenges faced by Health care industry on Talent Management – Professional's Perspective

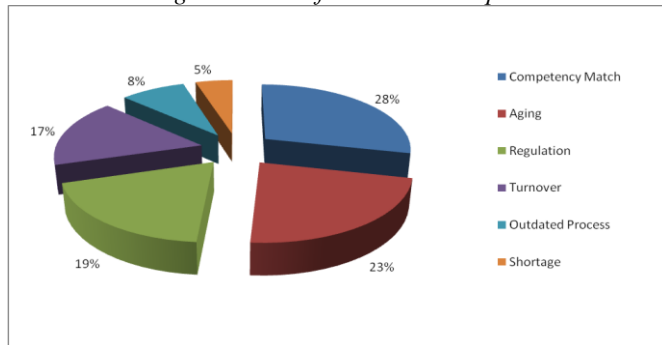


Figure 2: Challenges faced by Health care industry on Talent Management – Professional's Perspective

S.No.	Factors ranked highest	Frequency	%	Explanation
1	Unwilling	31	37	Employees do not prefer to have the system of segregating the employee as top performer or moderate performer.
2	Work Life Balance	17	20	In Health care, everyone involved in the process mainly have the problem of balancing work and life. Further difficulty on contributing to talent management practice.
3	X & Y type of work group	11	13	Segregation in the work force as X and Y groups. In health care, Y group is indirectly demotivated to become X type. (XY Theory)
4	Lack of guidance	10	12	Employee feels that none in the organization to guide them on implementing talent management effectively.
5	No Succession	9	11	In Health care employee felt that even for their dedicated performance on talent management system, net outcome is resulted in negative for their career succession.
6	No Valuation	6	7	In Health care employee felt that even after the dedicated performance none is there to measure and motivate.

Table 4: Challenges faced by Health care industry on Talent Management – Performer's Perspective

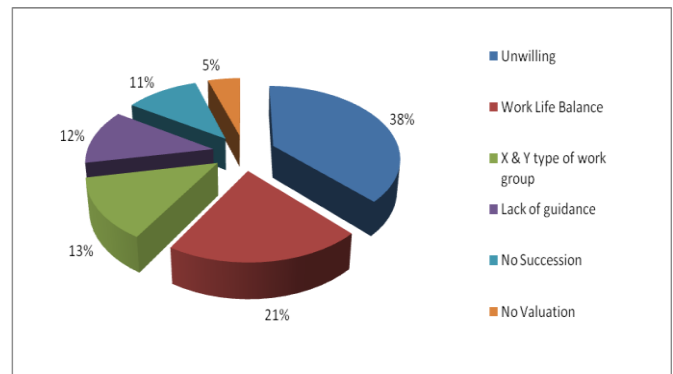


Figure 3: Challenges faced by Health care industry on Talent Management – Performer's Perspective

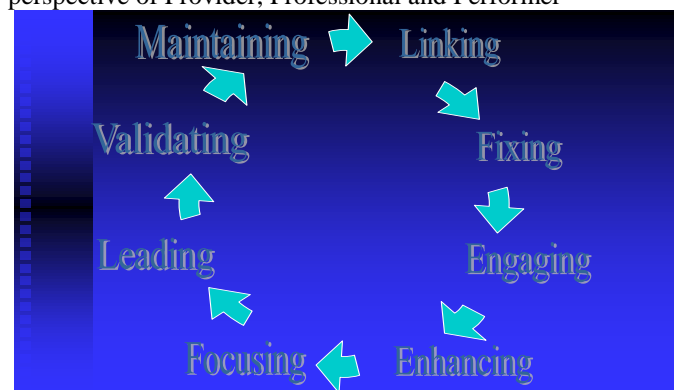
Ranking Order	Provider	Professional	Performer
1	Linking to Core	Mapping	Engagement
2	Auditing	Tools Improvement	Enrichment
3	Accounting	Retention	Autonomy
4	Integrating	Talent exposure	Compensation
5	Leading & Sustaining	Benchmarking	Transition
6	Succession	Performance management	4 R (Rejoice Inclusion)

Table 5: Factors for formulating effective Talent Management strategy – Provider, Professional and performer's perspective

S. No.	Process Factors
1	Linking talent management strategy to core business strategy.
2	Developing clear road map for implementing the talent management system.
3	Developing effective and modern tool in selecting right candidate for the task.
4	Engage the employee to deliver the service to full extent.
5	Periodical auditing of implementation and also empowering employee to take own decision.
6	Making steps for visibility of employee talent in the system and also providing proper performance management system to match the talent.
7	Setting benchmark for the growth and encouraging employee to handle responsibility, recognition, reward and to rejoice (4 R).
8	Developing succession planning for their growth and to sustain in the system.

Table 6: Common factors to formulate strategy for talent management system: (Integration of provider, professional and performer's perspective)

Talent Management strategy for Health care based on the perspective of Provider, Professional and Performer



✓ Linking - Process by which the vision / goals of the institution is linked to the competencies and capacities of the institution.



- ✓ Fixing - Process by which individual values required for the talent management is fixed to the institutional values. Hence individual and institution is working for common goals.
- ✓ Engaging - process by which selecting the right employees through effective selection tool and their offer will not be as contract, it will be commitment.
- ✓ Enhancing - Process by which empowering the employees to take their own decision making matching to the commitment.
- ✓ Focusing - process by which introducing guidance on the talent management system. Employee would be guided on their need.
- ✓ Leading - process by which enhancing the benchmarking. Make them to set new standards and completing the tasks.
- ✓ Validating - Process by which providing right benefits matching to their performance. Formulating employee is part of the system and not just component in the system.
- ✓ Maintaining - . Considering talent management system is not as one time process, make it cycle.

perspectives of provider, professional and performer. Based on the outcome, formulated talent management system and implemented in the hospital. After allowing the system to settle, researcher has reviewed the performance by comparing the outcome to the former human resource system practice. Result showed that operationally and economically the talent management system has significant improvement over former human resource system. The outcome of the study will be guiding factor to recommend to other hospitals on implementing talent management system.

## VIII. CONCLUSION

In Health care, recruiting and retaining talented people becomes an increasingly difficult challenge for organizations. But by implementing an effective talent management strategy, organizations can ensure that the right people are in the right place at the right time, as well as organizational readiness for the future. The mandate is clear from the study that, organizations to succeed in today's rapidly changing and increasingly competitive marketplace, intense focus must be applied to aligning human capital with corporate strategy and objectives. It starts with recruiting and retaining talented people and continues by sustaining the knowledge and competencies across the entire workforce. Study outcome has concluded that the formulated talent management system is effective and efficient in producing quantifiable improvement in the health care system. Hence this talent management framework would be an apt and recommended for health care institutions preparing for meeting the future.

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Analysis	Traditional Human Resource system	Revised Talent Management system	Outcome & Explanation
Cost – Benefit Analysis (CBA)	1.16 (Ratio of benefit divided by Cost)	3.29 (Ratio of benefit divided by Cost)	Talent management system is more beneficial as 3.29 reflect that cost spent will be tripled in benefit.
Costing Analysis (CA)	21 % (Cost of service contribution)	57 % (Cost of service contribution)	Talent management system implementation is 36 % higher to former hr system, but it will be compensated in long run.

Table 7: Economic Evaluation of Talent Management System in comparison former human resource system

Outcome evaluation of Talent management system comparative to former human resource system

- ✓ 67 % improvement in knowledge sharing and high morale by promoting mentoring and coaching
- ✓ 74 % improvement in brand loyalty and quality of services because of succession planning and career development.
- ✓ 23 % improvement in retention of high performers.
- ✓ Reduced staffing costs by 53.21 %
- ✓ Reduced staffing cycle times by 61 %
- ✓ Reduced vacancy rates by 39 %
- ✓ Improvement in leadership skills by 83 %

## VII. DISCUSSION

Researcher has examined the challenges faced by the health care industry on Talent Management system from the