

Implementation of Talent Management Strategy for Construction Sector

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Abstract. One of the most important problems that organizations are faced with is selection of the most talented employees between the candidates and maintaining these talented employees' work commitment during their working life. Beside the different human resource strategies, today talent management strategy has become to be implemented increasingly in different fields. With the changing competitive conditions, organizations aim to increase their competitiveness by the majority of the talented employees that they have. For construction companies the number of the talented employees is an important criteria to assume a new work too. This study reveals expected contributions of the talent management strategy to the construction sector. For this purpose main benefits will be determined that construction companies may get by using talent management strategy.

Keywords: talent, talent management, construction, construction sector

1 INTRODUCTION

Today's global economy has created a more complex and dynamic environment in which most firms must learn to compete effectively to achieve sustainable growth. This global environment has not only changed the way business is conducted, it has also created the need for organizations to manage their workforces in a global context (Tarique and Schuler, 2009). As a result of this recently, a large number of firms give more attention to new vision concerning talent management (TM). It is viewed as part of the important process and as subject matter of strategic management. Talent is posed as the primary driver of any successful firm in order to show the achievement or failure of the organization, depending on owned talents and the development of their condition. Thus, strategic talent management is a very important aspect that has evolved, and is a new field that is permitting firms to develop and retain highly-qualified employees in order to boost performance within the firm (Sripirom et al., 2015).

In construction sector main targets of a construction company is to complete a construction work with lowest cost and high quality at a minimum time. Due to construction companies aim to achieve these main three targets, construction companies seek for finding the most talented employees and retaining them for strategic positions as project manager or site manager. On the other hand for construction companies the number of the talented employees constitutes an important criteria to assume a new work in an increasingly competitive environment. Therefore selection of the most talented candidates and retaining them in the organization gain importance for construction companies as same as in other sectors. Although there have been different human resource management strategies for the organizations, the use of TM strategy has become an emerging tool in human resource management. This study aims to reveal expected contributions of the TM strategy to the construction sector. For this purpose definition of TM will be done and workflow process diagram of the TM strategy for construction sector will be defined to specify main contributions in the scope of the study.

2 TALENT MANAGEMENT AS AN EMERGING TOOL IN HUMAN RESOURCE MANAGEMENT

TM practices have developed and adapted throughout the years in response to many changes in the workplace, from the industrial revolution and the rise of labor unions, to affirmative action, globalization, and outsourcing, to name just a few (Frank and Taylor, 2004). TM

definitions show difference according to different researchers. Silzer and Dowell (2010; cited in Dries, 2013) define TM as an integrated set of processes, programs, and cultural norms in an organization designed and implemented to attract, develop, deploy, and retain talent to achieve strategic objectives and meet future business needs. According to Pascal (2004; cited in Dries, 2013) TM encompasses managing the supply, demand, and flow of talent through the human capital engine. Ashton & Morton (2005; cited in Dries, 2013) assert that TM is a strategic and holistic approach to both human resource and business planning or a new route to organizational effectiveness. This improves the performance and the potential of people - the talent- who can make a measurable difference to the organization now and in future. And it aspires to yield enhanced performance among all levels in the workforce, thus allowing everyone to reach his/her potential, no matter what that might be.

In using TM as an emerging tool the most important problem for organizations is defining what talent means for them and how they will manage TM process. Most of the companies who are trying to select “the most talented” employee fail when they make selection. Because selection criterias for selecting the most talented candidate is not clear enough and indicators of talent are unclear and contradictory as Oppong (2013) asserts. As a response to this unclear position Ulrich and Smallwood (2004) formulate talent in their study as:

$$\text{Talent} = \text{Competence} \times \text{Commitment} \times \text{Contribution}$$

According to this formulation competence refers to the knowledge, skills, and values required for today’s and tomorrow’s jobs. Competence matters because incompetence leads to poor decision making. But without commitment, competence is discounted. Highly competent employees who are not committed are smart but don’t work very hard. Committed or engaged employees work hard, put in their time, and do what they are asked to do. In the last two decades, commitment and competence have been the standard elements for talent. Ulrich and Smallwood (2004) assert that the next generation of employees may be competent (able to do the work) and committed (willing to do the work), but unless they are making a real contribution (finding meaning and purpose in their work), their interest in what they are doing diminishes and their talent wanes. Contribution occurs when employees feel that their personal needs are being met through their active participation in their organization. Organizations are the universal setting where individuals find abundance in their lives through their work and want this investment of their time to be meaningful. Simply stated, competence deals with the head (being able), commitment with the hands and feet (being there), and contribution with the heart (simply being) (Ulrich and Smallwood, 2004). With this approach for being successful in TM strategy the most important thing is to engage the talented employees to the organization as a whole body.

Another approach is related with determination of sweet spots of the each employees. Once an organization has assessed its future needs and roles, then it is ready to identify and match individuals to the sweet spot. The sweet spot describes a model that positions the best person in the best job for them. The following indicates a good match of talent and work (Fig.1) (Mucha, 2004).

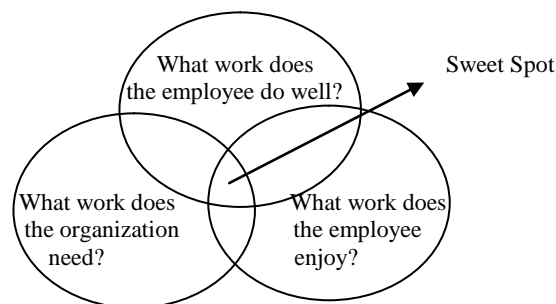


Fig.1. Sweet spot of an employee (Mucha, 2004).

The organization benefits when all three are aligned. When people are working in their sweet spot, they demonstrate their best work and leadership. TM is *not* about promotion based on tenure or political favorites. TM is *not* about hiring likable folks, or winners. It is a constant challenge to have *right* people matched to the *right* jobs at the *right* time, and doing the *right* things. Clearly, it is a disservice to put or keep people in roles that are not matched to their sweet spot (Mucha, 2004) for the organizations.

TM strategies focus on five primary areas: attracting, selecting, engaging, developing and retaining employees. Although pay and benefits initially attract employees, top-tier leadership organizations focus on retaining and developing talent (Kehinde, 2012). TM is a strategic process that starts with selection of the talented employee and goes on during worklife of him within the structure of the company. Thus, this process involves not only selecting the right people for the right work, but also involves retention of the employee.

One way of achieving such system integration and alignment is shown in Fig. 12 according to Ashton and Morton (2005) and this systemic view of talent has five elements:

1. Need: The business need derived from the business model and competitive issues.
2. Data collection: The fundamental data and “intelligence” critical for good talent decisions.
3. Planning: People/talent planning guided by data analysis.
4. Activities: The conversion of plans into integrated sets of activities.
5. Results: Costs, measures, effectiveness criteria to judge the value and impacts of TM.

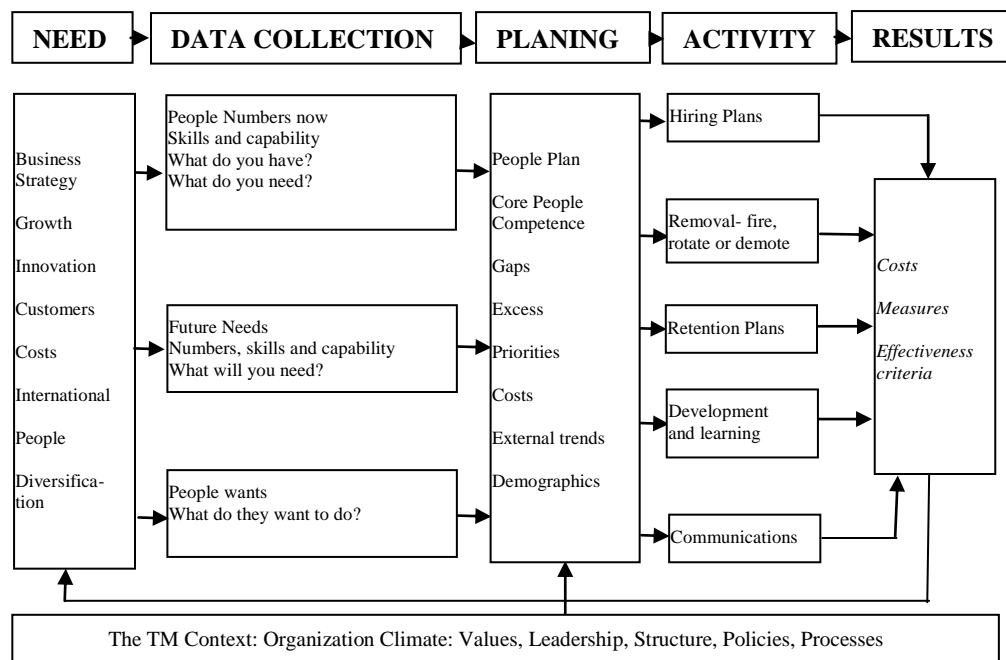


Fig.2. Workflow of TM Strategy (Ashton and Morton, 2005).

To drive performance, deal with an increasingly rapid pace of change, and create sustainable success, a company must integrate and align these processes with its business strategies (McCauley and Wakefield, 2006). Using this system can help TM become a strategic differentiator rather than a standard set of human resource processes – if the right conditions, context, timescales and offerings exist in the first place. System integration and alignment ensures that TM efforts are rational and fit for purpose (Ashton and Morton, 2005).

3 CONTRIBUTIONS OF THE TALENT MANAGEMENT STRATEGY TO THE CONSTRUCTION SECTOR

In construction sector project performance can be measured and evaluated by using a large number of performance indicators that could be related to various dimensions (groups) such as time, cost, quality, client satisfaction, client changes, business performance, health and safety (Cheung et al. 2004, DETR 2000, Enshassi et al. 2009). Time, cost and quality are, however, the three predominant performance evaluation dimensions (Enshassi et al. 2009). In a construction work success of a completed work is directly related with success of the key technical employee especially in critical positions, and success of a completed work is measured with these three predominant performance evaluation dimensions. Thus selecting the right employee for critical roles and retaining these employees are important issues for a construction company. At this point using TM strategy arises as a useful method for selecting and retaining the talented employees. To understand the expected contributions of the TM strategy to the construction sector, workflow process of the TM strategy should be analyzed closely. In the scope of the study a TM system diagram is improved for construction sector by benefiting from TM system diagram defined by Ashton and Morton (2005) (Fig.3). Differences from previous study are shown in ital>

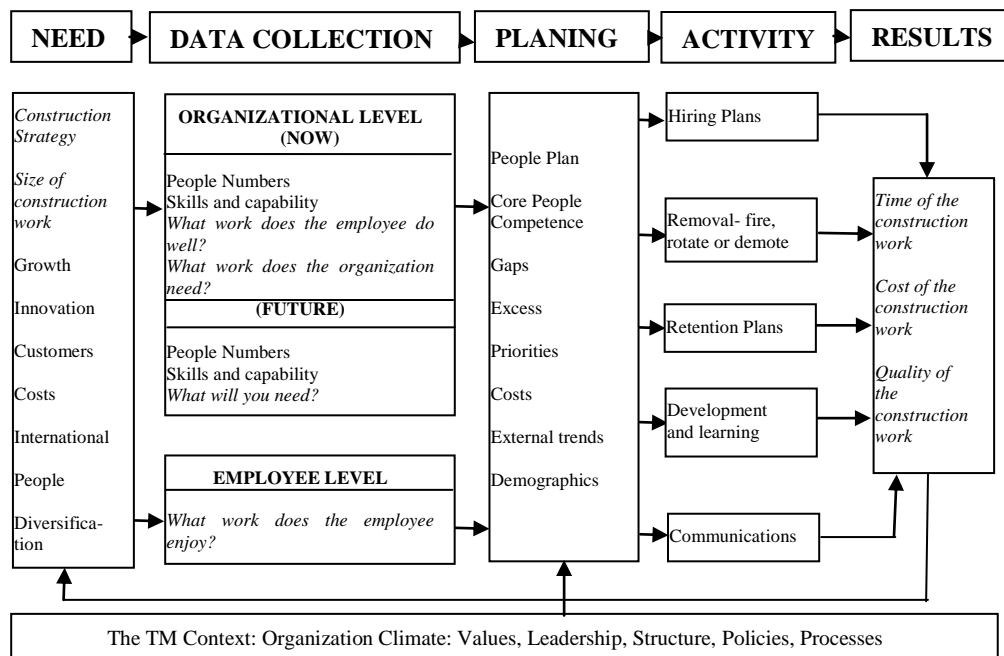


Fig.3. Workflow of TM Strategy for construction sector (Adapted from Ashton and Morton, 2005).

As Ashton and Morton (2005) assert in their study context of the talent management system is directly related with organization climate which consists of values, leadership, structure, policies, processes of the company. Organizations should engage their organizational strategies with TM process. Differences of improved TM system for construction sector are defined below in five phases.

1. Need: Due to the needs of a construction company will change from project to project, because of the unique nature of the construction work, when the needs of the construction company is being defined, construction strategy and size of the construction works, that construction company may assume, should be considered beside other criterias.
2. Data Collection: This phase should be handled in two different levels as organizational level and employee level. In organizational level talented employees should be determined that the company already has had and also that the company will need in the future. Defining sweet spot of employees as defined by Mucha (2004) will help the company for collecting required data in this phase. Thus three main questions that is defined by Mucha (2004) should be asked by the employers in both organizational level and employee level. Intersection of the answers will show the sweet spots of each employees.
3. Planning: Due to the large number of the project participants in construction work, planing phase has a different significance for achieving of the project goals. Therefore construction companies should make planing carefully by considering various aspects of the organization including employees, gaps, excess, priorities etc.
4. Activity: Activities that the company should implement will vary based on the responses received by the previous phases. Due to the number of the talented employees is an important criteria to assume a new construction work, companies especially should give importance retaining of existing talented employees to the organization by enabling education and self development opportunity.
5. Results: Due to time, cost and quality are three predominant performance evaluation dimensions for a construction company evaluation of time, cost and quality of the ongoing or completed construction works will judge the value and impacts of TM strategy for the company.

When the workflow of the TM strategy is analyzed, it is seen that first contribution of the strategy emerges as the outcome of the process in the last phase. By using TM strategy a construction company will have chance to evaluate its existing needs and future needs in terms of the employee. By evaluating sweet spots of the each employees, assigning the right people to the right position especially in critical positions as project manager or site manager will make easier to achieve project main goals which are shortest time, lowest cost and maximum quality in a construction work. Therefore TM strategy will be an important tool for achieving project goals.

Secondly, employee`s traditional point of view to organization will change during TM process. Talented employees both existing and new selected will feel that they have competence, commitment and contribution to their work and their position. These three important concept will have effect on loyalty of the employees to the organization, which will also affect organizational climate positively. As a result of these developments in the organization, longterm organizational success will be provided for all participants.

Last contribution is related with the competitiveness of the organization. Using TM strategy will not only help selecting the most talented employees, but it also will help improvement of the existing employees. By enabling education and self development of the employees the number of the talented employee will be increased in the organization. TM strategy will increase competitiveness of the construction company. This will be an important advantage for organizations to survive and thrive in today`s increasingly competitive construction sector.

4 CONCLUSIONS

TM strategy has a different nature that consists of improvement in both organizational level and employee level. Using TM strategy in construction sector will provide important benefits to organizations in terms of the achievement of the project goals, long term organizational success and competitiveness, while it provides benefits to employees by ensuring self-development and giving the opportunity to change of an employee`s position according to his skills. Bilateral benefits will increase the success of the businesses.

TM strategy ensures a different point of view to the employer related to assessment of his existing employees. TM strategy is not only a tool questing for new talents, it is also an

important tool for improving existing talented employees. Therefore by using this strategy organizations will have chance assessment of existing employees.

On the other hand weakness of the TM strategy arises in cases where the lack of loyalty exists in the organization. There is always a potential risk of talent transfer between opponent companies. Therefore success of the TM relies on retainment strategies of the company. Companies should consider this risk, and take action against this risk during the TM process.

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