Editorial

Greetings!

Talent is all about an individual's knowledge and skills, but it ultimately depends on the ability of the individual to leverage the resources of others as well–that is why social capital and structural capital are critical to talent development.

The organizational performance is determined by the performance of its employees. Talented employees are the agents of change. Talented people give birth to good and innovative ideas. Good ideas give birth to good products and processes. Innovative ideas also create new business opportunities and so on.

Talent development can have some very powerful return dynamics. The more rapidly a firm develops its talent, the more readily it can develop the next wave of talent. Talent is about the ability to deliver superior value, internally and externally. Talent is ultimately a function of human-capital, intellectual-capital, social-capital and structural-capital, working together to augment the value that can be delivered.

To focus a successful organization, managers must use a new tool called return on talent (ROT). Most organizations focus on return on investment (ROI), and fail to understand the key strategy of how to increase ROI by increasing ROT.

The value of knowledge generated increases with its effective deployment. Effective knowledge generated means high ROT. It leads to a creative workforce, innovations, smooth processes, continuous product improvements, and improved communications. It helps management to be flexible, to capitalize on opportunities, and to keep pace with the changing business climate. Talented people influence those around them, and their knowledge is shared over time. Top knowledge generators should be rewarded. If managers expect top talents to achieve their maximum performance and produce maximum return, they must not place them in routine jobs.

ROT measures the payback from investment in people; it shows whether managers are hiring the right people and how effectively they use them to achieve business success. It can be a quantitative or qualitative measurement, based on management's viewpoint. Talent generates knowledge, which is one of the greatest assets in the global economy. True knowledge brings creativity and innovation, and adds value to the company. Effective managers use ROT measurements to make their investments in talent more profitable. ROT measurements help monitor performance, forecast opportunity, and determine the profitability of their investment in talent. To make their investment more profitable, management must constantly measure ROT, continuously improve ROT, and nurture, develop, and refresh talent.

During the period of downturn an organization should employ its talent in a manner such that they address this strategic challenge. Only those who contribute significantly should be rewarded. Potential development and retention should be geared towards the best-performing talent. Thus, this approach helps improve ROT through managing costs, optimal utilization of talent and high involvement of top management.

Any organization operating in an environment of rapid growth will look to capture a large share of business. Rewards and benefits are liberal and aimed at retaining a large mass of the employee base to maintain high productivity levels and build capacity. ROT is enhanced through improved skill base availability, development of skills in line with business requirements, and building and maintaining talent capacity. Hence, the talent strategy and initiatives are geared towards enabling the firm to successfully meet growth targets.

We are glad to present few excellent articles on Return on Talent before you. We express our heartfelt thanks to all the contributors of this issue for their valued contributions. Hope you will enjoy reading the articles compiled in this issue.

Happy reading!