

# Competitive Advantage through Talent Management

Rofi Rofaida

Management Study Program  
Universitas Pendidikan Indonesia  
Bandung, Indonesia  
rofi.rofaida@upi.edu

**Abstract**— Human resources with talent that can not be imitated by competitors is a source of competitive advantage for an organization. Organization has to acquire, maintain, and develop the talent through what is referred to as talent management. The objective of talent management is to increase individual performance by improving the competence with the development on integrated system to acquire, develop, maintain, and optimize the talents of organization. Talent is the distinctive capabilities of the organization. This article is a meta analysis of the concepts, and result of research related to talent management and how talent management will determine the competitive advantage.

**Keywords**—*competitive advantage, talent management, distinctive capabilities*

## I. INTRODUCTION

Talent management is a new approach to human resource management. For more than fifty years there has been an evolution in the concept of the personnel department HRM dan HR strategy to talent management. Personal management view of human resource management functions as an operational activity that is not integrated with the organization's goals and strategies. In the further human resources management concept evolved into the Strategic Human Resources. Strategic Human Resources is an integrated approach to HR management with the goals and strategy of the organization. Current concepts in the management of human resources is the talent management. This concept emerged as a competitive advantage through human resources through its talent is a source of competitive advantage. In an organization there are human resources that have the potential to contribute to the achievement of organizational goals. Organizations develop strategies to acquire, retain and develop the talent of this talet through talent management. This article is a meta analysis of the concepts, and result of research related to talent management and how talent management will determine the organizational's competitive advantage.

## II. LITERATURE REVIEW

### A. *Competitive Advantage*

Competitiveness refers to a firm's ability to maintain and gain market share in its industry. It's related to firm's

effectiveness, which is determined by whether the firm satisfies the needs of stakeholders. When a firm can do something that rival firms cannot do, or owns something that rival firm's desire, that can represent a competitive advantage [1][2].

Competitive advantage was defined as is gained advantage over competitors by offering more value to customers, either through lower prices or through the provision of additional benefits and services [3].

Sustainable competitive advantage can be gained if companies have different characteristics and strategic values from its competitors. The concept of resources based view (RBV) states that companies gain a competitive advantage for their resources and capabilities that meet the criteria valuable, rare, non-substitutable, and inimitable [4]. These resources and capabilities derived from the internal company consists of tangible and intangible assets. Tangible assets consists of physical resources which include financial assets and physical assets. While intangible assets include assets (intellectual property, organizational assets, and reputational assets) and capability (know-how, managerial know-how, relationship). Intangible assets are considered most likely to have the characteristics of VRIN as difficult to replicate and was replaced by a competitor quickly. This means that the company has a sustainable competitive advantage that has distinctive capabilities. One of the intangible asset is human resources.

### B. *Talent Management*

Talent management in the organization arises because there are human resources that have the potential to contribute to the achievement of organizational goals. Organizations develop strategies to acquire, retain and develop the talent through talent management

Talent is attributed to those individual that have the potential to make positive impact on organization performance. It is a natural ability which is separate from learned knowledge or skills and can be further developed and enhanced with practice and learning. Talent is described as the personal qualities "of those individuals who can make a difference to organizational performance either through their immediate contribution or, in the longer-term, by demonstrating the highest levels of potential" [5] [6].

Talent management is the implementation of integrated strategies or systems designed to increase workplace

productivity by developing improved processes for attracting, developing, retaining and utilizing people with the required skills and aptitude to meet current and future business needs [6].

There are five primary areas of Talent management, such as: attracting, selecting, engaging, developing, and retaining employees [4]. Talent Management consists of attracting, developing, retaining, and utilizing people [6].

The implementation of talent management can be seen from several indicators, namely: recruitment and selection, performance management, training and development, and career management [7]. Talent management can be measured through seven dimensions: talent identification, talent acquisition, performance management, talent development, talent retention, and management commitment. The objective of talent management is to ensure that the right skills available at the right time and made to meet the objectives of the organization. The ultimate goal of talent management is to increase individual performance by improving the competence through an integrated system to acquire, develop, maintain and optimize the talents of the organization.

### III. RESEARCH METHODOLOGY

The method used in conducting a meta-analysis of various theories and result research related to talent management and competitive advantage.

### IV. FINDINGS AND DISCUSSION

Talent management becomes particularly important approach to human resources, including the generation Y. The results of research conducted describe the generation Y is characterized by high adaptability, more confident, capable of performing a variety of jobs, and master the technology. The new approach is needed dilemma human resource management to optimize the potential of the generation Y [8].

Especially for industries with a high level of competition and fast product life cycle, organization's human resources always have high performance. Human resources through their competence will produce superior performance that became a source of competitive advantage of the organization. Talent management develops the potential of its human resources so that it becomes the unique capabilities (distinctive capabilities) that are not easily imitated by competitors. Human resources management is a strategic activity that must consistently associated with organizational strategy. HR has a very important role in determining the company's competitive advantage through innovation and creativity. All resources can be lost but HR will be a distinctive capability that will not disappear [3]. Results of research concluded that a competitive advantage is caused by factors internal to the organization. Internal factors that has the greatest influence in determining the competitive advantage is human resources [9].

Talent management approach that includes approaches to attracting and retaining human resources and put them in the right position to help prepare the organization for competition in the future [10]. In the tourism industry, which has the characteristics of a high turnover rate, organizations are

required to have the ability to attract and retain human resources with skill and expertise. Then the talent management is a way to be able to attract and retain talented human resources so that the company can reduce the rate of turnover.

Talent management is fundamental for shaping investment firm competitive advantages. The study provides results that are strong and significant influence between management talents with a competitive advantage which is characterized by the growth of productivity and growth of new products [11]. Managing human capital will determine competitive advantage for organizations because managing human capital appropriately can improve financial performance and market share [12]. The results showed that the correlation between talent management indicators and indicators related to organizational performance, very high [4].

Talent management becomes a tool to gain a competitive advantage with some prerequisites, namely:

- 1) Talent management and knowledge that is integrated with business strategy through talent management, HR can be a source of competitive advantage [3].
- 2) Talent management must be integrated with the company's strategy is not on the HR functional strategy [13].
- 3) Mind set factors and commitment from leader will determine talent management practices in an organization [6].
- 4) Talent management should be associated with the business strategy and human resource management.
- 5) Management talent is not just the responsibility of a HR manager, but the manager's responsibility at all levels including the CEO. Leaders should be actively involved in the process of integrating talent management and talent management with the vision, mission and strategy of the organization [14].
- 6) Developing talent is a difficult task. Form of management talent within the organization should consider the type of leadership that the organization wants in the future. In this context, talent management has an important influence on the type of leadership that the organization developed in the future. If the system is effective, then the number of leaders will come an output of talent management [9].
- 7) Leadership is an important factor that gives a very strong influence on creativity. Transformational leadership provided an excellent opportunity to conduct extensive employee creativity at the individual level [15].
- 8) Organizational cultural perspective to be considered in implementing talent management [9].

### V. CONCLUSION

Talent management can be a way for organizations to gain a competitive advantage through human resources because it ensures organizations have the human resources with competence that is not easily replicated. Talent management success will be determined by two important factors, namely

the integration of talent management with corporate strategy and leadership.

#### REFERENCES

- [1] David, Fred R, 2011, *Strategic Management : Concept and Cases*, 13 Ed, Prentice Hall
- [2] Nibedita Saha, et, al, 2012, *Human Resource Management: As a Source of Sustained Competitive Advantage of the Firms*, DOI: 10.7763/IPEDR. 2012. V46. 1
- [3] Mohammad Atwah Alma'aitah, et al, 2013, *Talent Management and Competitive Advantage: The Moderating Effect of Knowledge Integration*, *International Journal of Computer Applications* (0975 – 8887) Volume 66– No.11, March 2013.
- [4] Kehinde, James Sunday, 2012, *Talent Management : Effect on Organizational Performance*, *Journal of Management research*, ISSN 1941-899X, Vol.4, No.2.
- [5] Cheese, P, et al, 2014, *The Talent Powered Organization : Strategies for globalization, Talent Management, and High Performance*, Kogan Page, London.
- [6] Grag, Diksha dan Rani, Kavita, 2014, *Talent Management : Empirical Research Result*, *International Journal of Management and commerce Innovation*, ISSN 2348-7585, vol.2, Issue 1, pp: (289-295), April-September 2014
- [7] Amstrong, Michael, 2011, *Strategic Human Resources Management : a Guide to Action*, Kogan page
- [8] Vlad Vaiman dan Vance, Charles M, 2008, *Smart Talent Management*, Edward Elgar Publishing, Inc.
- [9] Sheokand, Sanjula dan Verma, Anju, 2014, *Impact of Talent Management in Nurturing Future Leaders*, *The International Journal of Business and Management*, ISSN 2321-8916, Vol2 Issue 11, November 2014
- [10] Anupam Rani1\* Dr. Upasna Joshi2, 2012, *A Study of Talent Management as a Strategic Tool for the Organization in Selected Indian IT Companies*, *European Journal of Business and Management* www.iiste.org, ISSN 2222-1905 (Paper) ISSN 2222-2839 (Online), Vol 4, No.4
- [11] Wael H. Ramadan, 2012, *The Influence of Talent Management on Sustainable Competitive Advantage of Small and Medium Sized Establishments*, E-Leader Berlin 2012
- [12] Iqra Rafique Dar, 2011, *Managing Human Capital For Sustainable Competitive Advantage: A Case Of Ufone Gsm Pakistan*, *Interdisciplinary Journal Of Contemporary Research In Business*, March 2011 Vol 2, No 11
- [13] Monika Chodorek, 2012, *The Place and Role of Talent Management in the Positive Organizational Potential: An Empirical Study of Companies Operating in Poland*, CF Vol. 10 (2), 2012
- [14] Wright, Patrick, et al, 2012, *Six Principles of Effective Global Talent Management*, *MIT Sloan Management Review*, Winter, vol.53 No.2
- [15] Millissa FY Cheung dan Chi-Sum Wong, *Transformational leadership, leader support, and employee creativity*, *Leadership and Organization Development Journal*, Vol 32 No 7, 2011