

A Study on Interdisciplinary Conceptual Integration of Supply Chain Management and Talent Management

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Abstract— Managing the intangible component of workforce called talent has become one of the critical challenges for many organizations. Various strategies framed by them, to bridge the gap between demand and supply of talent, are becoming rather obsolete in no time owing to the influence of various factors in the ever dynamic and competitive business environment. The possessed skills of the employees have to be matched with that of needed by the organization wherein any mismatch may lead to the cost of losing a potential intellectual source. Supply Chain Management is a discipline that ably focusses on managing the supply of goods with the demand from consumers. Borrowing the conceptual flavour of Supply Chain Management to Talent Management, a novel and agile approach called Talent Supply Chain Management has evolved. The article aims at exploring the new concept by having a glance at the possible comparison of concepts from mutual disciplines. Besides exploration, certain frameworks and models are also discussed herewith which, upon successful adoption and implementation, can enhance the efficiency of talent management process.

Keywords— Talent, Chain, Skill, Supply, Demand, Management

1. Introduction

Managing the intangible intellectual component called talent has become quite challenging for HR professionals across corporates. It has been a considerable issue all across due to the scarce talent and skill resources readily available in the market. Even it becomes equally challenging to bridge the gap by training the existing employees on all the requisite skill sets that can prove to be costly affair as often we may need to outsource the training assignment. Talent management has been embedded with various approaches formulated by eminent HR practitioners. Besides all those the

article looks at a fresh and novel approach of applying Supply Chain Management principles to Talent Management. Value addition in the form of Business Analytics accelerates the efficiency of the entire process.

2. Literature Review

Information Assymetry has been the character of discussion in the labour market as conveyed by various economists [1][2]. Internet can be resorted upon to match the employers with employees having requisite skills[1]. Supply Chain Management can as well be applied to any business typically for striking a balance between customer demand and supply of the product [5]. Building a talent pipeline to fill key positions is the greatest challenge indicated by many organizations [9]. Talent management is quite different from traditional activities of Human Resource Management in view that its focus will be on determining the talent demand and thereby ensuring the adequate supply is sourced for the company [11].

Talent Management has been one of the most significant challenges faced by corporates and Human Resource experts in twenty first century [7]. The ever dynamic and uncertain environment makes it pretty difficult for the academic space to keep an eye on specific skills sets that are on demand in the labour market [3]. The skill of persuasion can act as a catalyst in increasing the human capital of any organization enabling and enhancing the sharing of knowledge among the talent sources [10]. Global Talent Management, in a subject approach, refers intellectual sources as Competent Incumbents who can increase the competency of the organization to withstand in the

ever competitive business market.[6] . A strong as well as performance can be facilitated by linking the strategic and environmental objectives with specific practices of Supply Chain Management and Human Resource Management [12].

3. Objective of the Study

Application of Supply Chain Management concepts to one of the critical Human Resource function called Talent Management sounds to be unique in itself wherein there has not been much awareness as well as extensive content on the same specifically on Talent Supply Chain Management. The article aims at exploring the in and outs of the captioned approach and thereby suggesting the application of the same to the Human Resource world.

4. Methodology

The article adopts a conceptual methodology of using secondary information gathered across for exploring the features of the blended approach called Talent Supply Chain Management. In addition, a couple of models suggested by eminent people are discussed herewith along with glancing the advantages of adopting and implementing the said approach.

5. The Interdisciplinary Integration

Since 1980s companies have been initiating and continuously refining the supply chain process wherein various innovations, including just-in manufacturing processes, which facilitated them to anticipate the demand dynamics as well as get more accurate and quick acceptance for their products. The framework has adopted some concepts of supply chain management and carefully aligned them to talent management as follows. The inter-concept comparison is as follows

Table 1: Comparing Supply Chain Management concepts with that of Talent Management.

Supply Chain Management	Talent Management
Product demand forecast	Talent need forecast
Estimate for most economical and quick ways of manufacturing products	Developing talent in a cost effective manner

Manufacturing process outsourcing	Outsourcing Hiring
Ensuring delivery on time	Succession planning

Various issues and challenges which may be encountered while managing a pipeline for internal talent and keeping track of the advancement of employees through experiences and development jobs is very much similar to the manner in which products are moved through a supply chain, reducing the blocks for advancement, accelerating the process and improving the efficiency of forecasts so as to avoid possible mismatches in future [4].

The integration within reveals four principles of aligning talent management to rely on certain perspectives of supply chain management as discussed below.

5.1. Managing the risk of talent shortfall

In case the companies do not have enough skilled people for the projects in hand they may obviously need to push the existing and inexperienced people to take up new roles and work on the available projects. This step in absence of no other alternative may even result in revenue depreciation. The captioned shortfall of talent can as well be compensated by shooting up the demand projections deliberately. This may result in excess talent on board and the employer may be left with no choice rather than putting them on bench till the specific project comes. It is more or less similar to procuring excess raw material and struggling with holding costs of inventory. Companies have to undershoot the talent estimates and develop a strategy of quick hiring of talent from external sources to manage the short fall. They need to gauge the significance of the requirement and accordingly put specific resources in development activities. We can perceive Talent management to be an investment rather being an entitlement.

5.2. Adapting to the Talent Demand Uncertainty

In spite of buying the components of production in bulk and storing those in the warehouse by forecasting the demand for years together, mini and simple forecasts can be made by reducing the time horizon of the forecast to make things simpler and

easier. Similarly in case of pooling the talent from a campus drive we may end up in selecting a group of people for the suitable roles in the company. Rather to put them all in training or induction for months together, they can be divided into small talent pools basis their expertise and can be allocated to different business units. Training can be imparted in different phases as and when required, reducing the possible pause in the operational work. Whenever there is an urgent demand for a specific talent, allocation of the intellectual form the designed talent pool can accordingly be assigned to the specific unit. This principle can be a potential tool to face the challenge of uncertainty of demand.

5.3. Improving the return on Investment in Talent Development

In case the internal talent development is the only alternative left for the company, developmental and training programmes may have to be resorted upon even if they prove to be expensive. Making employees to be sharing the costs of the development activities can be a better solution for the same. Sounds good, wherein the actual problem arises as to how can we make this possible? Employees can be conveyed to take part in certain research projects with an assurance of having a chance of participating in the project and have a better chance to elevate their position in the company.

For doing this they may have to stay back for some additional time in view of their future prospects.

Maintenance of good relations with former employees with a never ending hope of them returning back to the company can also bring back the investment that has been put in their skill development.

5.4. Preserving the Talent Investment

Increased return on investment can only be a short term fruit of success if the investment done on intellectual sources is not preserved carefully. In case of a mismatch between employee expectations and organization actions, a sense of dissatisfaction may arise which may head towards a possible employee turnover for the company. The talent development done may perish in no time if the employees are not given suitable opportunities on various aspects that they have been trained with. A

proper balance of the employer and employee interests can be done by allowing the employees to participate in decision making process on future advancements of business, developing a talent archive and likewise.

6. Talent Supply Chain Management

The principles of Supply Chain Management have been used for decades by various companies to streamline the operational flow of activities, reduce the risk of uncertainties and even creating a potential competitive position for themselves in this ever dynamic business environment. Application of such principles to Talent Management is an entirely new approach that has been adopted and implemented successfully by various corporates across industries around the globe. Talent Supply Chain Management, also referred to as Holistic or Integrated approach towards Talent Management, on successful adoption, enables an organization to develop strategies to align the workforce dynamics towards accomplishment of its business objectives. It also facilitates enhanced exploration of talent from various internal and external sources. For an effective and efficient implementation of Talent Supply Chain Management model every company need to properly integrate the Human Resource department with others as well make them work as a team rather working independently.

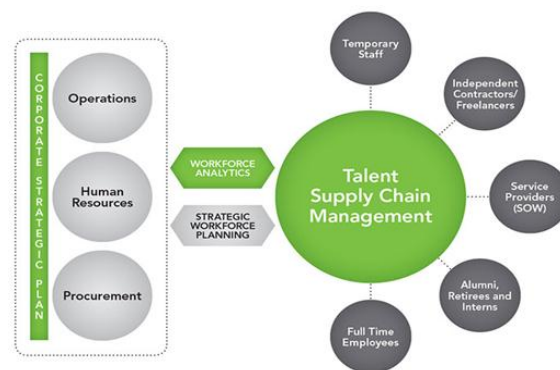


Figure 1. Talent Supply Chain model by Kelly Services Inc [13].

Kelly OCG, a renowned provider of solutions for workforce strategy and operations globally, designed a Talent Supply Chain Model that can be a best fit for any organizations basis feasibility and compatibility. Let us have a look at the significance of the same [14].

Companies with insightful and efficient talent supply chain management approach create a relatively higher competitive advantage for themselves as they are pretty much confident of mitigating possible risks that may arise in future. They can slot themselves in a better position to acquire the workforce mix needed for accomplishment of business objectives owing to reasons as mentioned below

- Better evaluation of labour across categories, taking them on job and ensuring their sustained engagement across jobs and time by facilitating them with flexible work schedules.
- The visibility of the company can be enhanced when the well managed workforce planning data proves to be compatible with the external data relating to demand and supply dynamics.
- Estimates of future needs and gaps in such estimations can clearly be understood by proper integration of workforce planning and work-force analytics.
- Adoption of analytical approach to manage workforce data facilitates the company with enhanced visibility of contingency risk. Various behavioural patterns that are tested across provide the likelihood of identifying the position and location of the contingent workforce thereby the company with its proactive approach can as well take appropriate measures to control the same.

The locus of talent suppliers should always be broader so that the challenge of need-to-fill positions in case of urgency can be ably faced upon. Wide network of suppliers across demographics and geographies always help to have an expanded pipeline of recruitment with more access to the skilled as well as qualified talent sources [13].

7. Collaborative Planning Model

Eren E Makarius and Mahesh Srinivasan have addressed the concept of skill mismatch in their research study and have come up with a model called Collaborative model for Talent Supply Chain Management aimed at enhancing the connects between employers and suppliers of talent [8].



Figure 2. Collaborative Planning Model for Talent Supply Chain Management [8].

This model is designed based on the CFPR approach used in Supply Chain Management. CFPR stands for Collaborative Planning, Forecasting and Replenishment. The uniqueness of this approach owes to the idea behind the same. The integration, visibility and cooperation at greater levels facilitate cost reduction as well as improve the organizational success rate.

The four main stages of the approach are as follows

- Strategy and Planning
- Demand and Supply Management
- Execution and
- Analysis

Entering into strategic relationships with suppliers becomes inevitable when there is scarcity in supply and the sources of supply are rather controlled or constrained. If these relationships are entered with long term objectives of effective coordination and exchange of information, possible risks can be mitigated thus leading to an elevated performance of the organization. A six step strategic sourcing plan, as mentioned below, can help in formation and strengthening of relationship of employer with educational institutions and other suppliers of talent

- Understanding various patterns of spending by conducting a spend analysis
- Creating profiles of the talent needs to be ably communicated to suppliers
- Developing a strategy for talent sourcing
- Creating selection criteria for suppliers like selection of suppliers based on the capabilities of process and design.
- Developing an evaluation model by clearly defining different weightages to be considered in selecting suppliers.

- vi. Finally negotiating and entering into the formal agreement.

Demand and Supply management refers to timely forecasting that involves various planning activities aimed at balancing the short term demand for talent against resources available in consideration to the long term supply needs. The concept of Request for Quotation, known as RFQ, from supply chain can be ably used to ensure the talent supplier is meeting the demand of the company. In general, RFQ is used as a formal request to prepare bids basis buyer's terms and conditions. A talent guarantee can also be opted from supplier for in case if the employees are lagging in certain skills they can as well be redirected to the supplier to learn those skills needed.

Once the agreement is struck, the same is implemented across the operational locus of the organization and basis the assessment of the compatibility of the supplied talent with the demand requisites a performance assessment of the supplier can be done. Besides determining the quality of the product, performance assessments can also be used to effectively monitor the industry trends and thereby formulate the future strategies accordingly.

Some challenges may possibly be encountered in course of implementing this model such as delay in responding to market trends by talent suppliers, time constraints for the both the parties as additional time may be to collaborate, enter and implement the agreement.

8. The Building Blocks of Talent Supply Chain

The demographics of workforce dynamics, serious shortage of skills and ever changing economic environment are making it inevitable on the part of employers to rethink of their talent management practices and the agile approach of Talent Supply Chain Management can be a potential tool in increase their competitiveness in their locus of talent sources. Certain steps that can increase the potentiality of the foundation in adopting the interdisciplinary approach of work force planning can be as follows

- A well formulated strategy to keep track of the talent needs as well as the available internal sources
- Managing talent demand by way of capturing a comprehensive picture of total work force to gauge the competencies required for the hour.
- A well structured alignment of people, processes in place and active technology in use can be a rich resource for workforce planning and talent management.
- Deployment of analytics to measure the impact of executed strategy and thereby realigning the same with the outcomes of the analytical study.

9. Conclusion

Change is inevitable in nature and hence if business organizations lag behind in adopting themselves to the market dynamics across, their identity in this competitive world can be at stake. Innovative and new approaches can always be implemented depending upon the fitment and feasibility for the operational structure of an organization. The integration of Supply Chain Management concepts with Talent Management prosperously elevates the scope for more and more novel and perceptive interdisciplinary approaches addressing various significant challenges faced by business organizations across the globe. Talent Supply Chain Management may not be a quick solution for the talent management challenges wherein it can definitely be resourceful in creating a sustainable competitive advantage for an organization in the respective talent supply market.

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