INTERNATIONAL JOURNAL
OF ADVANCED RESEARCH

ISSN NO. 2320-5407

RESEARCH ARTICLE

TALENT CLUSTERS AND THEIR CONTRIBUTION TO BUSINESS VALUE CREATION- A CONCEPTUAL PAPER.

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Manuscript Info

Abstract

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Talent Clusters are value adding teams which contribute to business value creation, by their integral ways of working. We are in the knowledge economy which operates on the concept of intricacies of connections. The economic ecosystem is evolving and all participants in this ecosystem work in an interconnected manner. Talent Management is the strategic management of human resources which acts as a competitive edge for businesses. This paper, delves into the various aspects of talent clusters and how they contribute to adding business value.

Introduction: -

The meaning of cluster is a number of persons or things grouped together. Talent clusters are value adding teams which create the team capital, nurtured, retained and valued in the organization. Fundamentally clusters are slightly different from the traditional understanding of teams. Their formation occurs outside the company context, but is employed as a unit. They are remunerated on a permanent basis .The administration and management of a cluster is done by the members of the cluster, including the remuneration of its members. The advancement in internet technology like cloud computing and collaboration suites is making this a possibility.

We are in the knowledge economy which operates on the concept of intricacies of connections. The economic ecosystem is evolving and all participants in this ecosystem work in an interconnected manner. Individual performance cannot any longer be given importance. All assets including the people assets work in a connected system. This economy is driven by networks.
Talent Management is a prevailing and significant movement across organizations. It changes the way talent are structured, and technology leveraged to achieve effectiveness, and shows how talent is measured for what they do.

Objective: -

The objective of this paper is to communicate and deliberate on the understanding of talent clusters and to evaluate their contribution to business value creation.

Methodology: -

Qualitative content analysis is the methodology used to understand and discuss the concept of Talent Clusters.

Talent Clusters: -

The importance of Clusters: -

Broadly, clusters today play a significant role in creating value for organizations. A cluster comprises of five to eight members, recruited by a business with a strong scope of work, and compensated based on the outcomes it produces. Clusters have defined shared values, policies and practices, roles, and competencies. While forming a cluster it is

necessary to seek a variety of skills and competencies, specific talents, and varied personalities to create a high performing team. Clusters occur from proven working relationships.

Talent clusters are treated as nuclear units. It hires, fires and positions the cluster as a unit. The positioning of a cluster in an organogram appears as a unit, similar to a lego brick formation. They are multidisciplinary, multifunctional collaborative structures formed to drive optimal business performance. Examples of talent clusters would be elite military teams, medical units, TV and film crews. Broadly, clusters emerge around working relationships. Research by Noah Friedkin, at the University of California at Santa Barbara, has shown that "this horizon of observability is usually two steps in a human network -- your direct contacts and their direct contacts".

Talent clusters are another version of a self-managed team. They are not self-directed, as they adhere to attaining the goals set by the organization to create business value for the organization. Their hierarchical configuration is bottom up and attracts the resources they need and disband when not required. They have an accountability structure and also have reward systems and measures for evaluation. In a technology driven ecosystem, Talent Clusters offer a solution to all the hassles that teams face.

A strong vision coupled with trusting relationships and robust networks is the basis for social capital. The business model for a cluster based organization starts with the concept of social capital. A common vision ties the organization to its clusters. The culture should foster friendships and networks of people with common skills. These skills have to be useful within the organization. This could be a talent acquisition strategy to attract talent to the cluster.

To create a cluster which is sustainable, it is imperative to not only engage employees, but also show that the organization is a caring one, is a fun filled one and offers challenging and meaningful work to its cluster members. When the transfer of knowledge and sharing of information has to happen between individuals and other members, co-located clusters and communities are the best option. The power and energy created from the formation of peer groups amongst the highest-performing individuals across the business as a consequence of talent programmes and pools provides a significant opportunity for organisations to harness talent. (The Talent Perspective CIPD 2010). Creativity and culture are the two main factors which enable cluster formation. An organization culture which encourages collaboration and cooperation is another prerequisite for cluster formation. The power and energy which can be harnessed from collaborative clusters is something which is incredible for organizations.

Characteristics of Talent Clusters: -
1. **Work Ethos:** depends on the task, either directed or explorative
2. **Custom made Agenda:** The existence and formation of clusters is not without reason. It has to have a defined agenda before it is formed.
3. **Responsibilities**: They form their own rules and responsibilities based on the tasks at hand.
4. **Existence and Formation**: Clusters form when needed and disband when defunct.
5. **Membership**: Memberships to clusters is task defined. They form for the completion of a task.

Advantages of Talent Clusters: -
Talent clusters create better business value through higher motivation. Autonomy, purpose and competency create higher motivation for cluster members thus, enabling higher performance. They have a self-created environment which augments value creation. Fewer bureaucratic burdens and faster decision making creates a cutting edge environment contributing to better performance. Talent clusters know their members, their needs and their contribution, skills and retention factors and are able to ensure better talent development. They also ensure better internal customer satisfaction- clusters are small enough to create a better social network and therefore support each other both professionally and personally.

Talent clusters are another version of a self-managed team. They are not self-directed, as they adhere to attaining the goals set by the organization to create value for the organization. Their hierarchical configuration is bottom up and attract the resources they need and disband when not required. They have an accountability structure and also have reward systems and measures for evaluation. In a technology driven ecosystem, Talent Clusters offer a solution to all the hassles that teams face.

Conclusion: -

Talent Management is a competitive advantage. To be able to manage talent either individually or in clusters is a competence which most managers must develop. Teams are a known form of organizational management. Talent clusters provide an overarching edge as they are more self-managed. Whenever the cluster model is implemented, talent will have to be efficiently led and managed. The super keepers have to be motivated to stay, the solid citizens are motivated to improve and the misfits are persuaded to go. Talent clusters are the future business models which contribute to the business value of organizations.

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