

Talent Management- A challenge for Indian Industries

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Abstract

In this competitive global world and increasing flexibility in Indian industries, talent management is gaining high importance. Talent management serves as the first step in fulfilling the needs of industries for a competitive, motivated and flexible Human Resource that can help achieve its objectives. It is a key aspect that contributes to the industries success or failure. This paper focuses on the concept of talent management and commonly encountered challenges while implementing talent management in Indian industries. The researchers have done extensive literature review and survey to build up the theoretical framework of talent management in industries. The finding of the paper highlights commonly followed talent management practices.

Key Words: Talent management, Indian industry, human resources, challenges.

1. Introduction

Talent management is a multi-faceted concept that is viewed differently in theory and practice. There are different definitions and different approaches to talent management in professional literature but also in organizations. Talent Management enables organizations to rapidly align, develop, motivate, and maintain a high-performance labor force. They also alleviate the hassle of writing performance reviews by automating the task and ensuring quality of reviews and reviewed on time.

Companies that excel at talent management ensure internal consistency, complementarily, and reinforcement of the practices they employ to attract, select, develop, evaluate, and retain talent (i.e., “internal fit”). In addition, these practices align closely with the corporate culture (i.e., “cultural fit”) and link to the business strategy and long-term goals of the organization (i.e., “strategic fit”). A high degree of internal, cultural, and strategic fit creates an inimitable system of practices and not only drives excellence in talent management but also contributes to organizational learning and knowledge management. Talent management is the systematic attraction, identification, development, engagement, retention and deployment of those individuals who are of particular value to an organization, either in view of their ‘high potential’ for the future or because they are fulfilling business/operation-critical roles. Successful talent management is not just about recruiting, retaining and developing a high-performing workforce but also aligning their talent management practices with their culture, values and strategic goals and the integration of these programmers across the entire organizations.

Getting the right people in pivotal roles at the right time should be nothing new to HR professionals, but done effectively, talent management can create long term

organizational success. The challenge of global talent management is critical to firm success. Even with the global economic slowdown of 2008 and 2009, there are continuing challenges in attracting, managing, and retaining talent, especially in the developing regions of the world where economic activity.

1.1. Objectives

- To understand the concept of Talent management.
- To study the challenges of TM in context to Indian industries

2. Literature Review

The hardest mind-set to alter is the longstanding, deeply embedded belief that capital is the critical strategic resource to be managed and that senior managers' key responsibilities should center on its acquisition, allocation and effective use. For the vast majority of companies, that assumption simply is no longer true. Without denying the need for prudent use of financial resources, we believe that, for most companies today, capital is not the resource that constrains growth. Global capital markets have opened up the supply side, while widespread excess industry capacity has reduced the demand side. The recent reversals in some sectors notwithstanding, most companies are awash in capital. Of them, many cannot even generate sufficient high- quality capital-budget projects to use the available resources —and therefore go on merger-and-acquisition expeditions.

In order to implement and follow talent management practices, Indian industries have to face a lot of challenges as discussed below:

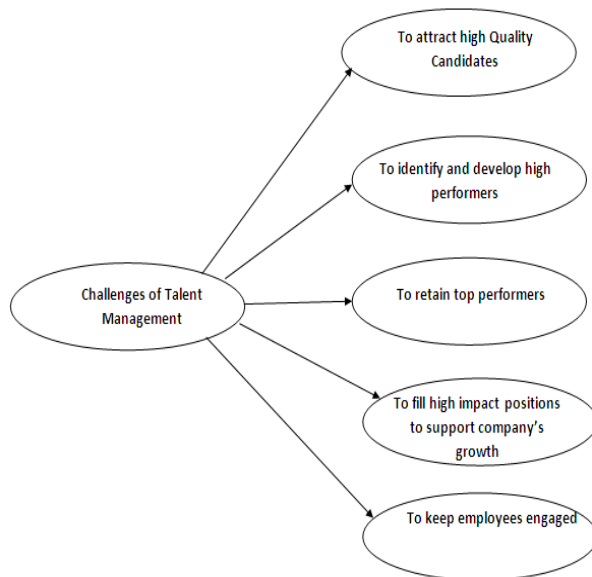


Fig 1: Challenges of Talent Management

Talent management is an espoused and enacted commitment to implementing an integrated, strategic and technology enabled approach to human resource management (HRM). This commitment stems in part from the widely shared belief that human resources are the organization's primary source of competitive advantage; an essential asset that is becoming increasingly short supply.

2.1 Focus on attracting, managing and developing their talent and stay ahead of the challenge

Distinctly called human capital management, employee relationship management and workforce management, among others, talent management is not a new concept, but one that in the past corporations haven't been set to finalize. India Talent Management has become one of the most important buzzwords in Corporate HR and Training today. Right talent is the greatest asset for any enterprise and one of the essential roles of HR is to make sure that the employees with the right skills stick with the company for long enough. The issue with many companies today is that their organizations put tremendous effort into attracting employees to their company, but spend little time into retaining and developing talent.

Employees who had high performance and high qualification scores were classified as “stars” and constituted the talent pool. Employees in other segments needed performance development, qualification development, or both. (Waheed & Zaim, 2013)

The benefits of an effectively implemented talent management strategy include improved employee recruitment and retention rates, and enhanced employee engagement. (Lewis & Heckman, 2006) In many companies the transition process is becoming an important proving ground for the human-resources function, with many old-school HR executives finding that neither their training nor their experience has prepared them for a leading strategic role. In the 1980s era of competitive-strategy analysis, their function was typically supportive and administrative. Once line managers had translated top management's strategic objectives into specific operational priorities, the role of HR staff was to ensure that recruitment, training, benefits administration and the like supported the well-defined strategic and operational agenda. When strategic priorities became more organizationally focused in the 1990s, human-resources managers increasingly were included in the strategic conversation, often to help define and develop the company's core competencies — and almost always to align the organizational design and management skills to support those strategic assets. Now, as companies move into the war for talent and as individuals with specialized knowledge, skills and expertise are recognized as the scarce strategic resource, HR professionals must become key players in the design, development and delivery of a company's strategy.

2.2 Challenge of how to attract, manage and develop talent effectively for achieving organisations objectives/goals and grow their companies

Talent Management processes is typically found in numerous parts of an organization. Thus, many organizations struggle to align their talent management under one consistent strategy. It may be a considerable challenge to make this happen. The vivacious nature of global business is putting an ever-increasing pressure on companies to be constantly on the lookout for incomparable talent in a market where

demand far exceeds supply. Given the current focus on the linkage between talent and an organisation's business challenges and strategies. Distinctly called human capital management, employee relationship management and workforce management, among others, talent management is not a new concept, but one that in the past corporations haven't been set to finalize

Talent management is an espoused and enacted commitment to implementing an integrated, strategic and technology enabled approach to human resource management (HRM). This commitment stems in part from the widely shared belief that human resources are the organization's primary source of competitive advantage; an essential asset that is becoming an increasingly short supply. The benefits of an effectively implemented talent management strategy include improved employee recruitment and retention rates, and enhanced employee engagement. These outcomes in turn have been associated with improved operational and financial performance. The external and internal drivers and restraints for talent management are many. Of particular importance is senior management understanding and commitment.

2.3. Defining the philosophy, clear objectives and scope of Talent Management

Despite a significant degree of academic and practitioner interest the topic of talent management remains underdeveloped. Thus, there should be future research in the area of talent management through (1) helping researchers to clarify the conceptual boundaries of talent management and (2) providing a theoretical framework that could help researchers in framing their research efforts in the area. Additionally, it aids managers in engaging with some of the issues they face with regard to talent management. (Collings & Mellahi, 2009). Good branding attracts prospective candidates' attention and creates a desire to apply to the company. It defines about the company's strengths relating to policies, procedures, culture etc and creates a loyalty among the employees and aids in retention management as well as generates an improvement in candidate attraction, engagement, commitment, and motivation. It serves as an HR perspective. Most managers today understand the strategic implications of the information-based, knowledge-driven, service-intensive economy. They know what the new game requires: speed, flexibility and continuous self-renewal. They even are recognizing that skilled and motivated people are central to the operations of any company that wishes to flourish in the new age. And yet, a decade of organizational delayering, destaffing, restructuring and reengineering has produced employees who are more exhausted than empowered, more cynical than self-renewing. Worse still, in many companies only marginal managerial attention — if that— is focused on the problems of employee capability and motivation. Somewhere between theory and practice, precious human capital is being misused, wasted or lost.

2.4. The biggest practical challenge industries face is that employees and managers find the technology very cumbersome.

Talent management refers to the process of developing and integrating new workers, developing and keeping current workers and attracting highly skilled workers to work for company. Employer branding is a new dimension in managing the talent of organization from the perspective of retention and attraction management. (Mandhanya Y & Shah M,2010). Employer branding is defined as a targeted, long term

strategy to manage the awareness and perceptions of employees, potential employees, and related stakeholders with regards to a particular firm. Employer branding has become a top priority for organizations in their quest to win the war for talent. The unprecedented demand for talent accompanied by a shrinking pool poses a challenge for organizations.

Recognizing that the company's scarce resource is knowledgeable people means a shift in the whole concept of value management within the corporation. In the early 1980s, competitive strategy was seen as a zero-sum game. Michael E. Porter, for example, saw the company surrounded by its suppliers, customers, competitors and substitutes, engaged in a battle with them to capture the maximum economic value possible. The subsequent interest in building and leveraging unique internal capabilities caused a gradual shift in emphasis from value appropriation to value creation. As information and knowledge came to provide competitive advantage, the game shifted. One of the most basic issues is how the value that the company creates should be distributed. Most companies operate under the assumption that shareholders, as contributors of capital, have the primary claim. But recruiting difficulties that large traditional companies face, employees' eroding sense of loyalty and cynicism over the growing gap between the compensation of those at the top and those on the front lines all indicate that value distribution must change. The rapid spread of stock options as a form of compensation shows that companies have begun to recognize that the owners of the scarce resources are no longer only the shareholders but also the employees.

The implications are profound. Top management must begin renegotiating both implicit and explicit contracts with key stakeholders, particularly with employees. Unless those who contribute their human and intellectual capital are given the opportunity to enjoy the fruits of the value creation they are driving, they will go where they have that opportunity — typically to newer, less tradition-bound companies.

Unlike capital, scarce knowledge and expertise cannot be accumulated at the top of the company and distributed to those projects or programs in which it will yield the greatest strategic advantage. It resides in the heads of individuals at all levels and is embedded in the relationships of work groups — those closest to the customers, the competitors and the technology.

Already we have seen downsizing of corporate planning departments, simplification of strategic-planning and capital-budgeting processes, and massive overhauls of corporate structures and processes — all in an effort both to shift initiative to those deep in the organization that possess valued expertise and to break down the barriers to effective sharing of that expertise.

2.5. Investing in building talent and culture is a long term thing and ensuring that the top management stays committed is a practical problem and challenge.

The third major strategic task HR must undertake is to help management develop the engaging, motivating and bonding culture necessary to attract and keep talented employees. In such a culture, the potential in competent individuals and fully functioning networks can be converted into engaged, committed action. Companies must reject the notion that loyalty among today's employees is dead and accept the challenge of creating an environment that will attract and energize people so that they

commit to the organization. Such advice flies in the face of conventional wisdom, which maintains loyalty has been replaced by a free-agent talent market that requires companies to convert their long-term trust-based relationships with employees to short-term contracts. Higher employee turnover, the use of temporary help and the expansion of outsourcing are all part of the envisioned future.

But if a company can outsource services or hire temporary expertise, so can its competitors. Such actions, therefore, are unlikely to lead to any competitive advantage. And if recruitment and retention are based primarily on the compensation package, the person lured by a big offer will almost certainly leave for a bigger one. Investment and commitment in talent management takes a back seat and especially in a recessionary or weak economic environment leaders tend to become more short term and cost focused and look at talent management as a cost rather than investment. Many and most talent management strategies and initiatives need a sustained (over medium to long term) investment and commitment. The current highly competitive and unstable business environment, the requirements of the knowledge society and the development of new technologies is a reality which presents new challenges directed at various areas of the society, including human resources, to organizations and their management. It is becoming increasingly evident that the quality of human capital and practical implementation of human resources development are ones of the decisive factors of organizations' success and competitiveness and a key source that considerably determines the operation and economic performance of organizations. The importance of the talent management concept for organizations is growing as a consequence of the ongoing globalization of the labour market and as a result of changes in the structure of labour force, particularly due to the aging and inadequate qualification structure of workforce on the one hand, and growing demands on the knowledge and skills of employees and the need, for skilled labour on the other hand. Talent Shortage and lack of qualified staff.

2.6 The role of the corporate HR function in global talent management

New corporate HR roles are identified which show how these issues might be addressed. We then advance our understanding of GTM theory and practice by considering the major future challenges facing corporate HR. It is necessary to realize that talent management strategies will vary, especially depending on the business strategy, the life cycle of a company, but also on the degree of engagement of company management. The organizational culture also plays an important role.

The need for multinational firms to be as competitive in the global marketplace as possible has increased dramatically over the past twenty years. For international human resource management this has meant many strategic opportunities to international human resource management. An excellent example of such an opportunity is that which exists regarding the management of talent. This opportunity began to develop in the late 1990s with the advent of the challenge of “global talent management.” During the past few years this opportunity has expanded to include challenges dealing with talent shortages, talent surpluses, locating and relocating talent, and compensation levels of talent. Together, these conditions are all “global talent challenges”. In this article we describe these several global talent challenges and the strategic opportunities they present to firms and propose the implications of these

for firms and for the field of international human resource management. Business success relies on successful talent management. If a hospital executive can't find nurses, a retail store executive can't develop and engage store managers, or a lab director can't keep great scientists, they will have difficulty meeting their organization's strategic business objectives. The challenges of finding, keeping, developing, and motivating people in key positions are precisely what progressive HR professionals should be focusing on. These managers face ongoing talent management challenges that are critical to their achieving business goals.

The implications for top management are profound. First, human-resources issues must move up near the top of the agenda in discussions of the company's strategic priorities. That means that a first-class human-resources executive must be at the CEO's right hand. Eventually, traditional strategic-planning processes will need to be overhauled and the financially calibrated measurement and reward systems will have to be redesigned to recognize the strategic importance of human as well as financial resources.

3. Research Methodology

The study is based on the primary and secondary sources collected from different sources like Ebsco, Emerald, Scopus, Jstor, Thomson Reuters and Google Scholar. Information has also been gathered from secondary data sources from books, articles that aid the study of sustainable development. Researchers opted for systematic literature review (SLR). Tranfield (2003) to understand the key dimensions derived from SLR. In this method researchers found out the information through personal interview, questionnaire method and through general observation on the whole.

The Questionnaire contained questions pertaining to the field of enquiry. Telephonic interviews were conducted with middle and top level managers. For the study, the researchers had decided to develop a theoretical framework and therefore the research methodology included a theoretical study and an interview schedule. Industries were not ready to reveal any information and it was a challenge to gain information from them. However, after approaching the industries for data it was found that they were shying away from giving the information on the pretext of the Companies policy of not disclosing the confidential information. This prevailing situation in the industry posed a challenge for the researchers in the process of data collection. This challenge increased the urge of the researchers for the information collection and the researchers started finding out other alternatives of collecting the information. Disclosure about Primary Data is subject to confidentiality and non disclosure agreement with the Companies. Initially, they were also reluctant to share the confidential information, then, the researcher convinced them that the information gathered would be used only for the research purpose and will not be misused. Finally, they agreed to share the information on the condition of anonymity. For the convenience, the researchers have referred to them the research study by their designation instead of revealing the identity.

4. Conclusion

Strategies adopted at International level by the organisation are multiple. Business needs to know the growth strategy in different countries. The effect of talent

management is on culture, talent and revenue of an organisation. It can make or break the brand image of an organisation. Nowadays the feedbacks with anonymity are given on internet. Talent Management is strategic to any business. Any company needs to have the right people on the bus (in the company). Companies ensure that they choose people with passion; people who have failed before, but have learnt from their failures; people who have ambitions; people with both tangible and intangible results in life.

Some of the Best practices followed in industries include: Choosing the best (academically and with passion) from Tier 2 engineering and business schools, offering them the right and best job profile, competitive training and development, innovative retention strategies, fair appraisal processes and competency mapping. Employee satisfaction is given prime importance. It plays a major role in employees' growth and development, commitment towards the job. A company-specific structured training program is extremely essential. Training programmes are conducted to cover essential work-related skills, techniques and knowledge. It is the process used to reduce the gap between the desired performance and the actual performance which eventually results in increased Productivity, quality and healthy work environment.

Companies around the world have made talent management a top priority, and therefore, such activities are marked by a relatively high degree of sophistication. Yet, few HR professionals, senior executives, and line managers appear to believe that their organizations have fully solved the talent management puzzle. Our study suggests some effective, and widely underutilized, practices that can help companies attract, select, develop, and retain talent. However, these practices provide a source of sustainable competitive advantage only if they align closely with all elements of the HR system, link to the business strategy, and are embedded in the leadership philosophy and value system of the firm. In conclusion, let us add that talent management is not only the HR processes and activities, but it is also a way of thinking and decision making, in which the holistic and integrated approaches are used in order to gain a real competitive advantage for an organization and its employees.

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