



WAR FOR TALENT: THE SCENE TODAY

Dr Chandrakanta Sahoo

Faculty of Management Studies

Madanapalle Institute of Technology and Science, Madanapalle, Chittoor Dist, AP

ABSTRACT

War for Talent is being experienced across the sectors as a major challenge by the HR Managers. The issues have caught the attentions among academia, industry, professional bodies and government and HR practitioners are struggling to redefine their evolving roles so that the organizational talent stays engaged and motivated in the organization. The problems of attraction and retention of the talent becomes a predominant issue across the industries and sectors. Many a time, HR Professionals are in a fix to introspect the reasons that impact employee commitment, productivity and citizenship behavior. Frequent employee attrition and High employee attrition are results of lack of attention in talent development programmes, as only 73 percent of CEOs spend a fourth of time in talent development programme (Monster.com study). The scene today needs to provide a customized approach that focuses towards aligning individual needs with the organization's goals. In the knowledge economy, the interests of the knowledge workers cannot be ignored. Keeping these facts in view, the article attempts to address the factors responsible for talent crises and talent gaps between talent engagement and talent development.

Key Words: Talent engagement, Talent Gap, Talent Development, Talent Crises.

In 1997, Ed Michaels, Helen Handfield-Jones and Beth Axelrod of McKinsey & Co. published a book titled *The War for Talent* on a battle for talent during the dotcom era. Unlike the talent war of the 1990s and 2000s, which was driven by the paucity of talent

supply, today's war is all about a lack of supply of *the right talent* to generate a sustainable growth and compete in the VUCA business world which is characterized by volatility, uncertainty, complexity and ambiguity. At the center stage of the growth issue is the question of leadership- the leadership team that collectively demonstrates insight, farsightedness, audacity and innovation to deliver double-digit growth in single-digit markets. Such leaders, more often with a deep sense of commitment and entrepreneurial spirit are instrumental in striking the business success, but very often found to be difficult to attract, engage and retain. The winning companies in the fast changing market will be those that procure and develop outperforming leaders in an underperforming economy. After years of global economic turmoil, the growth is observed to be dismal among the companies. Change is fast, but companies' progress is slow. Time now to rethink and redefine the business strategies so that top talented people remained engaged and outperform in the underperforming economy. This paper addresses a few such issues.

Talent Crises and Employee Engagement: The Context

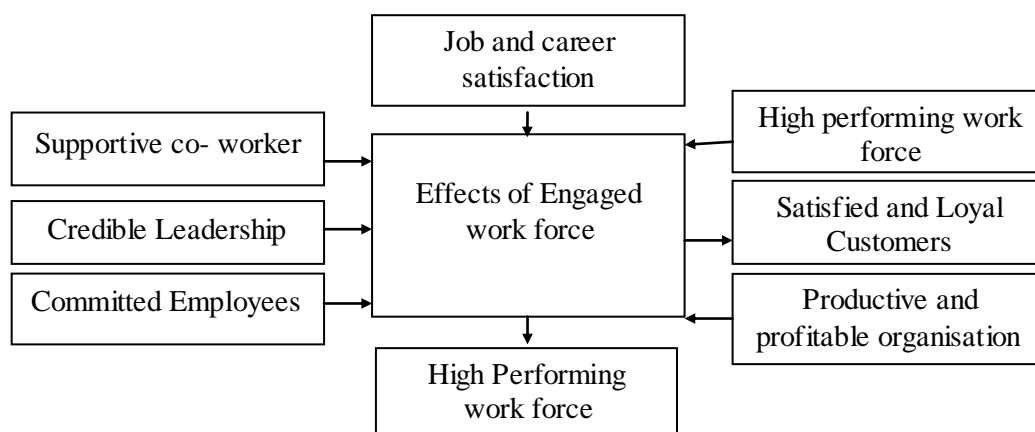
The term 'Talent' is defined by dictionary as "any natural or special gift, special attitude, eminent ability sort of genius, persons of special ability, disposition."¹ Talent can be an inborn trait or can be groomed through training. Talent is linked with sense of reasoning, intelligence, initiative and interpersonal ability, networking with people, creativity and innovation, ability to lead people, team spirit and emotional intelligence. When Human Resource of the organization is adequately replenished with the requisite talent, it becomes the competitive advantage for the organization.

Paucity of requisite quality, ability, skills and knowledge in the available human resources results in talent crisis which ultimately impede organizational performance. On the other words, talent crises lead to talent shortages for specific job requirements resulting in 'talent gap.' The gap is widened when any new skills, technology, new approach is necessitated and the company is not in a position to adapt and upgrade. Talent crisis leads to poor employee engagement. These concepts need to be pondered in the context of business, industry, academics and administration of both Public and private sector enterprises.

Employee engagement is a matter of concern and often remained as much discussed topic in the board rooms as proper employee engagement leads to better employee retention as per the Gallup Research. Indeed, Employee Engagement keeps employees constructively busy to achieve the targeted responsibility. In fact the engagement is necessitated for higher levels of firm performance, studies estimate that only 14 percent to 30 percent of employees are

engaged at work.² the study reveals that effective employee engagement depends on the degree of engagement that employees have in both core and non-core jobs. Employees' abilities should be identified and recorded by assigning different responsibility. The employees may have diverse skills and his core competency may not be limited to the job he/she is holding. The authority is required to assess the competency of the employees in different areas before work assignment and the priority should be given for the completion of immediate work requirement in core areas and other works are required to assign as non-core activity to the employee which can be assigned beyond the designated job responsibilities. The organization must develop capacity building mechanism to create more skilled employees, higher service levels, career movement within the organization, team spirit, learning ambience and results as competitive advantage in company's performance. These above three areas like Talent, Talent crises and Employee Engagement should be clearly spelt out by the business developers, human resource practitioners and other stake holders in different sectors. These three concepts are interrelated and complement each other. The talent of employees is required to be identified first for the requisite job areas and if mismatch occurs between talent possession and expected job standard, then the possible talent crises occurs. To solve the talent crises problems, the organization must create platform for nurturing talent as well as keeping the employee engaged for overall achievement. The engaged employees are more productive and work towards achievement of organizational goal³. In other words employees are engaged by the organizations through different platform and engaged workforce reflects result in the following areas.

Figure 1: Effect of Engaged Workforce



Source: <http://www.talentkeepers.com/employee-engagement>

Talent Gaps between Talent Engagement and Talent Development:

Man Power Group, USA conducted a talent survey in 2012 and 2013 which revealed the world labour market position. The study found that there are demand for skilled trade workers, engineers, sales representatives and technicians in 2013. The study statistics ranked Accounting and finance professionals in fifth position, the management and executive staff in sixth place, the secretarial positions, personal assistants and office support categories came to ninth position as per the demand by the employers. Indeed, these statistics drives the business stakeholders in a platform to identify the reasons of talent gap. This is, indeed, paradoxical to notice that despite the high demand for employment across different sectors, the unemployment situation across the economies is still growing because of lack of talent possession by the members of the labour market as a result of which emerging talent gaps are widening day by day. This put a question mark on the grooming tactics being followed in different academics and training institutions.

Good answers are not always the result of brilliance and intuition, but the result of asking the right kind of question defining

- *“What is our business?”*
- *“What it should be?”*

The answer to these questions provides the basis for developing strategic priorities of business. May the business be an academic institution or corporate house; strategic priorities provide the direction how the organization must function. The skill trainings must be designed as per the market requirement and degrees must be awarded on the basis of skill acquiring and mastering on the skill. To meet the challenge, companies must rethink how they hire, train and reward their employees, placing those tasks at the heart of their business plans. In doing so they will give themselves an opportunity to address all these separate problems with a unified plan.⁴ Further , these aspects are well spelled by Brian Davis, executive Vice- President of Personnel decisions International (PDI) viewed that “ Talent is not just a valuable asset: it is rapidly becoming the key factor in sustaining an organizations’ competitive advantage. In fact the key statistics projected by different organizations are the key indicators to address the talent gaps of world corporate scenario at large. By 2025, the number of people aged 15-64 is projected to fall by 7% in Germany, 9% in Italy and 14% in Japan⁵. The companies, stakeholders, academicians, government should work towards achieving the average talent requirement for different jobs. Identifying the potential employees will not solve the problem. The stakeholders at different level should identify the potential candidates having basic skills of speaking any one language, writing skills and basic

educational level for job requirement. They can be groomed for enriching the talent. Most companies want to identify those who have the potential and quality to take up the job responsibility early on their career. Companies invest more on these employees to develop their talents.⁶ The investment for talent development programmes should include not only the potential employees but also average potential holder to carry them with organization.

Talent Management Practices in facebook: A Case Study

In most cases, successful and exceptional companies literally take three –four decades to develop to produce phenomenal business results. But there are exceptions too. Apple and goggle symbolizes this exception. Apple became exceptional within a little more than a decade after the return of Steve Jobs where as Google developed exceptional talent management practices and produced business results in much less than a decade. But the story of Facebook is unmatched and unique. The idea of facebook (FB)was originated in college dorm room which dominated the undisputed social media in literally less than five years.

There are certain *wow* factors in the philosophy and culture of FB. The company hires its workforce across the globe on merit. Unlike the other social media companies, the FB organized industry-leading six weeks on boarding training program which enriches learning experience of the newly joined employees with planning and execution of multiple real time projects. The program creates an ambiance of trust and team spirit which is the hallmark of FB culture. Each employee works with a mentor. The beauty of the on boarding program is that employees have been asked at the end of the program to join the team of their choices and projects that they are interested to work with.

In most of organizations today, moving into a new job is a tedious, complicated often political process and employees do not have a say on it. But in FB, it is different. It's a self-directed internal movement process which empowers the employees to select their own next project team or continue in the same after working with them for months.

Regarding food and beverage, the FB is also amazing, It does not just provide free food, the food is really amazing. FB which claims major percentage of workforce as predominantly young and healthy cares about their health and weight. A dozen varieties of ice cream, low-fat yogurt, milkshakes, sundaes, as well as cakes, pies, and the absolutely essential cookies

are available -all unlimited and for free, day in and day out. But it also offers hamburgers, pizza, and tacos as well as an espresso bar and unlimited snacks throughout the day.

The FB management approach focuses on speed and risk-taking. The management proactively encourages its employees to *move fast and break things*. The speed is the paramount feature of FB. The concept follows the CEO's idea that "If you never break anything, you're probably not moving fast enough." Most corporate cultures are risk adverse, and in many cases, employees apprehend failure even once. But in FB, it is reverse. The culture encourages bold decision-making and risk-taking.

Traditionally a company's strength is viewed in terms of its ability to change and shift the focus of its employees per the requirement of the market. The FB product has always been a website-housed product that was accessed through a PC. However, credit goes to the CEO and the company culture for quickly realizing that the smart phone would eventually become the dominant platform. And in a period of less than two years, the company made a successful transition to capitalize the customer segment accessing the smart phone. To make the 180-degree shift even more impressive, the advertising revenue from the mobile platform is now becoming a larger part of Facebook's profit. This has also been possible for its talented workforce.

Unlike most firms, FB offers unlimited sick leave days. But if the work is truly exciting, the employee is rewarded for performance. The employees don't endorse deceptive behavior to avail sick leave. FB also offers 21 days of paid time off each year for even new employees.

FB also takes care of its women employees and at best try to retain its women engineers. So it offers close-in reserved parking spaces for those who are pregnant. It also offers "four months paid parental leave for both spouses, reimbursement for some daycare and adoption fees, and \$4,000 "baby cash" for a new arrival.

The FB inculcates a performance based culture. The reward differential between a bottom and top performer at the same level could be up to 300 percent. Nothing sends a clearer message to employees that performance matters over status and tenure than a large percentage differential between top and average performer rewards.

Although the firm appears to offer competitive salaries, the prime economic incentives are Restricted Stock Units (RSUs), which keep employees focused on producing business results. Business results focus also encourage cooperation and sharing with among employees.

Everyone seems to agree that employees get generous RSUs as part of their regular pay package and as bonuses.

Conclusion

There is no denying of the fact that the development of the nation depends on the quality of its workforce. In India, many small firms get defeated in the face sustainable challenges and continue to be small and unproductive. On the other hand large, profitable firms opt and rely on temporary contract labour and groom them through training and subsequently retain them for long term.⁷ The organized industry only generates very few jobs compared to unorganized industry. Studies reveal that the unorganized industry which is dominated by small firms has high potential to generate employment. Construction and Infrastructure industries witnessed increased employment by 70% between 2004 and 2009. But this is not enough. Recession across the global economy is still impacting and many of the industries are not performing at expected rate. This affects the employment generation. The workforce requires upgrade job related skill which helps the individual employees, companies, industries and society to grow. Thanks to the initiation taken by National Skill Development Mission to impart employment oriented vocational training to 8 crore people over the next five years with state governments. Further, the initiation needs to be undertaken care by educational institutions which are following outdated curriculum. In fact, the professional educational institutions are the breeding ground for the nurturing the talent and giving talent a complete shape. Looking at the facts, market conditions and issues related to talent gaps the corporate houses, academicians, policy makers should initiate the following steps to bridge the gaps.

- Pedagogical gaps needs to be identified for different educational degrees and professional degrees.
- Identification of home talents and utilization for fulfilling greater objectives by the organizations and nation at large.
- Channelizing the talent for core activities in talent development programmes.
- Talent planning for specific job areas must be addressed.
- Developing career trellis by creating talent pool and selecting the talents from the same pool.
- Creation and Integration of Talent for multi purpose works.

All stakeholders should work for the implementation Talent Management at every level of job structure through which they can give a shape to the future.

References

1. Gedde W. Chambers Twentieth Century Dictionary, London Ed. 1959.
2. Theresa M .Welbourne, *Employee Engagement: Beyond the Fad and into the executive suite* Spring 2007, P-45, Executive Forum, www.eepulse.com.
3. Gandhil and S. Jaya Bharati, *Competitive Challenges for Gen-y HR Managers in Manufacturing Industries*, Training and Development Journal, Vol-3, Issue-2, July-December 2012, p-64, ISTD, ISSN-2231-0681, Online ISSN-2231 -069x.
4. Douglas A.Ready and Jay A Conger, *The Journal Report: Business Insight*, The Wall Street Journal, Sept-15th2007,p-R1,wsj.com,[http//online.wsj.com](http://online.wsj.com)
5. Baruch Lev, “The battle for brain power , The Economist. NY 2013
6. Brain Davis, *Human Capital Management*, pp-46-47, www.the-Chiefexecutive.com
7. Economy Survey, pp-36-37,2012-13, Govt of India, Ministry of Finance, Dept of Economic Affairs, Economic Division, Feb 2013, Oxford University Press.
8. Mishra S. *Talent Crises: Perspective Challenges in Current Scenario*, MIJBR, January-July 2014
9. Sullivan J. A Case Study of Facebook’s Simply Amazing Talent Management Practices, Part 1 of 2. <http://www.ere.net/2013/09/09/a-case-study-of-facebooks-simply-amazing-talent-management-practices-part-1-of-2/> accessed on 13.07.2014