

CASE STUDY ON CULTURE OF RECRUITING REWARDING AND RETAINING STRATEGY FOR TALENT MANAGEMENT

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ABSTRACT

In this competitive scenario, talent management is crucial for organizational success. Organizations realized the importance of talent management in this hyper competitive and dynamic global economy. Talent management is the process of recruiting, managing, assessing, developing and maintaining an organization's most important resource, i.e. human resource. Organizational culture which is considered as the building block of an organization is reflected in its practices, policies, beliefs, strategies etc. Therefore, a conducive organization culture enriches the organizational practices which are essential to retain the talent. Recruiting the required talent, reinforcing the talent with appropriate reward as well as retaining the hired talent are essential to manage the talent of its employees. In this paper authors through few case studies tried to focus on how the culture of recruitment, reward and retention practices of various companies has been strategized towards talent management.

Keywords : recruitment, reward management, employee retention, talent management

Introduction and Literature Review

Day by day the importance of human resources as an asset for the organization is realized by the management. This realization also uplifted the status of Human Resource (HR) functions in the organizations. Gone are the days when HR functions are considered as the staff functions. Today HR is considered as the strategic partner of an organization. This shows that management in order to make its business survive need to take care of its people. Many researchers found correlation among talented people and organizational success. In an organization, nothing is as important as getting the right talent

and retaining that talent. Therefore it is essential for the business to identify the talent and to train and motivate them in order to retain the talent.

Talent Management refers to attracting, developing, promoting and retaining the talent within the organization. For talent management it is essential to align the talent in place to required talent in order to bridge the talent gaps. In this context organizations are working to come with an effective strategy. For such well planned strategy and its effective execution it requires a conducive organization culture. Organization culture has a significant role for the effective practice of talent management.



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Since last few decades the concept “organization culture” has attracted the attention of many researchers and practitioners. Some researchers have defined organization culture as the building block of the organization. Organization culture extends a platform which facilitates all other HR functions like hiring, developing, motivating etc. which ultimately results in the increase of retaining of the talent in the organization.

Review of Literature:

Many others have defined talent management in their own way, but the bottom line of all the definition is that talent management refers to the effective hiring, developing, motivation, utilizing and retaining the talent within the organization. In the present market situation, talent has a significant importance in order to achieve success and sustainability.

According to Collings & Mellahi (2009), effective talent management have an indirect positive relationship with organizational performance mediated by work motivation, organizational commitment and extra role behavior acting separately or in combination with one another. Dhanabhakya and Kokilambal (2014) said that talent management should start from the interview process for checking the fitness of the employees with the organization

McDonnell (2010) expressed that managing and developing strong HR strategies for talent management and retention is becoming integral part of HR jobs. He said that MNC’s role is becoming wide after realizing the global talent management concepts.

Scullion, Collings & Caligiuri (2010) point out that the topic of talent management was broadly accepted as a very significant activity in the

practitioner’s community but have not got importance in the advisers’ early work.

Axelrod (2001) said that talent is some combination of sharp strategic mind, leadership ability, emotional maturity, communication skills, ability to attract and inspire other talented people, entrepreneurial instincts, functional skills and the ability to deliver results.

In this context Tansley et. al. (2006) pointed out that talent can be considered as a complex amalgam of employees' skills, knowledge, cognitive ability and potential. These definitions reflect how important talent is for an organization. Regarding the importance of talent Conaty and Charan (2011) mentioned that except talent, every other aspect is easy to copy. Whether it is a new product or a new market, what unique is done it is followed or copied by competitors. But replicating high quality talent is nearly impossible. Talent management is the additional management processes and opportunities that are made available to people in the organization who are considered to be ‘talent’.” (Blass, 2008).

Anand (2004) explored to understand the talent management innovation, practices and process in a major telecom company in India, Bharti Airtel. The research revealed the process of effective management of the talent pool which led to enhanced employee engagement and reduced attrition and proportionately increased the average tenure of employees. The talent management strategy and processes have contributed in varying degrees in the development and growth of employees. Digeorgio (2004) believed in the best use of worker’s abilities to keep them for a long time and then to develop a block of high performance.

Singh (2012) mentioned employer branding as a synonym phrase of talent management. In this aspect Yakub and Khan (2011), have studied on the perception of university students about employer branding and different ways of hiring future talent by the employers. For their study they have taken a sample of 100 respondents from three universities of Rawalpindi and Islamabad. He said that employer branding and employer branding have relationship with organizational attractiveness.

Authors have studied talent management from different aspects. Janardhanam et al. (2011) studied on the use of talent management by a diverse range of organizations. They opined that a well structured talent management can improve employee relation with management. Tiwari and Shrivastava (2013) discussed about impact of talent management on employee retention at AREVA T&D India Ltd. They found a significant relationship among the experience of the employees and their satisfaction with talent management practices of the organization.

Along with hiring, developing and rewarding the talent, retaining the talent is also equally important. According to (Fegly,2006) competition and the lack of available highly talented and skilled employees make finding and retaining talented people a major priority for Organizations. In this context Smith (2009) said that in the present competitive business environment, aggressive recruitment of talent management of valuable employees occurs and the retention of high performers remains critical. Kule Lagunas (2012) suggested five employee retention strategies for higher performance environment i.e. (i) hire retainable employees (ii) plan carrier, don'ts fill roll (iii) make retention personnel (iv) get to the heart of

underperformance (v) invest in your line managers.

Vijay Kumar et. al. (2012) studied employee retention in Indian IT sector and said that Indian software industries face crisis on various retention and attrition strategies of talented workers.

Tiwari and Srivastava (2013) said that to create a sophisticated talent management environment, organization must:-

- i) define a clear vision for talent management;
- ii) develop a roadmap for technology and process integration;
- iii) integrated and optimize process;
- iv) apply robust technology to enable processes; and
- v) prepare the workforce for change associated with the new environment

Talent Management

Manpower is considered as the most crucial asset for an organization. In the dynamic and competitive market scenario there is a significant importance of the talented employees. Therefore, management gives effort on hiring, motivating, utilizing and retaining the talent. Today there is no dearth of talent but to get right talent is a challenge for the company. Organizations are not only competing for their product and services but they also compete to hire a right talent and to retain them. In this context Srivastava and Bhatnagar (2007) mentioned about talent acquisition as a problem faced by industries.

Today human resource functions are considered

as strategic issues of a company. Therefore, this crucial issue of talent management also gained the strategic focus. According to Mc Cauley and Wake field (2006), fundamental building block of talent management strategy involves employee and organization development. A group of Mc Kinsey (1997) coined the term ‘War of Talent’. (Michaels et al., 2001). After that the concept of talent management gathered momentum. It created interest among the academicians and practitioners. Thota (2013) mentioned talent management as science using

strategic HR to improve business value.

Lewis and Heckman (2006) identified three key streams of thinking of talent management. The first stream is to replacing the talent management for human resource (HR) management and limiting the focus to particular HR practices such as recruitment, leadership development, succession planning etc. The second system highlights the development of talent pools while the third once concentrates on the management of talent pool. Succession planning is considered as an important technique

Common Talent Management Practices

As talent management is gradually gaining momentum, management aims its HR practices towards managing the talent of its employee. Usually the HR practices like recruitment and selection, succession planning, training and development, performance management, compensation, employee retention and senior management involvement are the common talent management practices in organizations. These practices can be grouped together into three major practices such as: recruitment and staffing, training and development and retention management. (Dhanabhakym and Kokilambal).



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In this connection, Berger & Berger (2004) have also outlined three main goals of Talent Management Strategy:

- a. To identify, select and cultivate employees who are not only superior in their performance but also inspire other to perform.
- b. To develop and position highly qualified backups i.e succession planning.
- c. To disseminate mentoring, training, compensations etc. to employees based on their competencies

Recruiting required talent is very much crucial for the organizations. Many researchers even highlighted to poses a talent pool in the organization. Tulgan (2001) discussed to have make use of a fluid talent pool by the organizations. Duttagupta (2005) mentioned that an effective recruiting is the beginning of an effective retention. Analoui (2007) discussed about the importance of competency based recruitment practices.

Developing the talent of the employee is equally important as hiring the talent. Murthy (2010) said that talent management includes the key gaps between talent required to drive success and talent in place. This statement highlights the importance of training in managing the talent of the employees. Eisen (2005) said that training programs available to all employees correlate with a 70% increase in employee retention rates whereas career development is the accumulation and cultivation of skills and knowledge that enable a professional to advance or grow in the field of his or her choice.

Retaining the talent is a biggest challenge these days than hiring the talent. People became employable which enable them to choose the right employer and the organization culture as well. This creates a challenge to retain the employees. Indian organizations experience a paradigm shift in the workplace expectations. When the organization became unable to match the expectations gradually it makes the organization to pay in cost of attrition of the employees. Chatterjee (2007), mentioned retaining talent as the daunting tasks for HR managers in India. Retaining Gen _Y employee is also a challenge to the organization. Talent and competent employees are considered as the sset for an organization. Therefore, the attrition

of such employees will obviously be a loss for an organization. In this essence Samuel and Chipunza (2009), said the purpose of retention is to cease the loss of competent employees which have adverse effect on productivity and profitability.

Role of Organization Culture in Managing the Talent

Rai (2014) said that in today's generation, expectations from the workplace are not confined to material compensation alone, but also include quality of work experience, organizational culture and ambience. Here comes the importance of organization culture in case of managing the human resources. Organization culture is considered as the building block of an organization. It is mentioned by many researchers that culture of an organization extends a platform for all other practices to be performed effectively.

According to Harris & Brannick (1999), successful talent management system involves alignment of the organizational recruitment with the company's organizational culture.

To highlight the impact of culture, Devi (2009) said that for better retention of talent, organizations must improve pay/compensation and benefits and also factors like good working conditions, flexible work timings, cooperative teams, good bosses, culture and values of the organization.

Recruiting and Rewarding the Talent: Case Studies

Amway India

Amway India is one of the best examples of talent retention. According to one survey of Devina (2015), in Amway India, 50 percent of

employees have worked for over five years, 25 percent more than 10 years, and globally, the average tenure of Amway is over 20 years. This reflects the satisfaction of employees in Amway India. As more than 60 percent distributors of Amway India are women, therefore they made the training time flexible in order to make it convenient to the house wives and part time distributors.

Eureka Forbes

In order to incorporate the culture of the company within the employees of Eureka Forbes, every corporate meeting they start with corporate anthem. It is the best strategy to make the employees feel proud of the company. There exists a structured training for the new employees. New 'Eurochamp' Orientation (NEO) is a 14 days orientation programme where they are given training on selling skill, product knowhow, field training etc. Reviews take place at the end of month where the Eurochamps are reviewed on the basis of number of the doors knocked, demos given and sales achieved. To manage the talent Eureka Forbes not only gives good training but also assess the performance of the employees. Based on the appraisal the supervisor identifies the weak performers and highlights their training needs.

Infosys

Training has its own significance in case of managing the talent of the employees and ultimately towards organization success. Training upgrades the competency of an employee in order to makes him fit for his assigned tasks. Success of training depends on many factors such as the objective of the training, how the training is designed, budget allocated for training, learning style of the

trainees, environment of learning etc. Keeping a pace with the fast changing business environment, expectations of the employees from the employers, importance of knowledge necessitates seriousness towards training, Since 2003, American Society for Training and Development (ASTD) has been honoring the companies for their excellence in training.

In the run of talent management, Infosys has shown a remarkable initiative. The Infosys leadership Institute (ILI) is a dedicated campus in India with a vision of making leadership and management development. The mandates of ILI are:

- Enhance managerial capabilities for increased customer satisfaction.
- Develop leaders to take the organization vision forward.
- Partners with customers to build high performing multicultural team.

Conclusion

Right person with right skill at right job is highly essential for meeting the organization goal efficiently for which the importance of talent management is increasing day by day. To make the talent management effective it is required to understand the organization culture. It is organization culture that determines the effectiveness of all other organization practices. In this article through the case study we discussed how a favorable organization culture creates a platform to manage the talent of the employees. Without a proper focus on the dimensions of talent management like recruiting, rewarding and retaining the talent, many organizations face challenges like talent crisis, improper utilization of talent, attrition etc.

therefore, to avoid such risks, a careful attention must be given to recruit the right talent, motivating the talent by rewarding their achievements and strategies to retain the talent in the organisations. Therefore, authors tried to discuss these aspects of talent management through case studies. This paper creates a further scope to study the impact of recruitment, rewarding and retaining the talent on talent management.

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