

**WAR FOR TALENT
HR CHALLENGE OF OUR TIMES**

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Abstract

The concept of modern management is primarily concerned with the planning and development of HR. The man behind the machine has rightly become the focus of attention with a sense of responsibility to make most of the skills, experience and initiative of its employees.

HR management has a pivotal role in developing the capabilities and strengths of an organization. Hence, the importance of HR in an organization cannot be overemphasized. As mentioned by Alfred Marshall in his book, 'Principles of Economics', that most of the value of all capital is vested in the HR. Henceforth, the caliber and quality of the workforce in general and the top management in particular determines the quality and caliber of the organization itself.

The paper, *War for Talent - HR challenges of our times* focuses on the issues and concerns faced by the HR department of the organization nationally and globally, which is being triggered off by the changing scenario of the business environment. The paper also talks about how the organization is grappling with the concerns of hiring the best talent in order to sustain its hold in the competitive level of the organizational race.

WAR FOR TALENT HR CHALLENGE OF OUR TIMES

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We have heard that “time moves on steadily and relentlessly”. Then how is that with the new millennium we need to review the challenges for the HR function in organization? Has it takes a dramatic turn, or is it because the start of the century is a very convenient milestone to take stock? The threats facing the organization have been changing with time and what was a fine solution yesterday may no longer be valid tomorrow? It can now be said that we have moved to the era of not just change, but an accelerated rate of change. As compared to the past, the 21st century organizations are getting to be globally market driven ones with “invest anywhere and share everywhere” concept. The impact of e-commerce with rapidly changing InfoTech (IT) will similarly transform traditional business structures dramatically even smaller organization will not be immune.

However, developing an effective human resource development plan is not as simple as developing a number of charts or spreadsheets. This exercise needs a broad range of activities including image building, recruiting, developing job descriptions and goal setting, performance management etc. Such a plan needs to be formulated for a long-term vision. However, in all cases it is advisable that strategy needs to be developed with the current business scenario and with “best practices”.

As such, HR management has become a priority and is being recognized as a key element to business success. The role of HR professionals has evolved significantly from traditional and transactional role as administrators and guardian of policies to a more strategic and result oriented. However, the biggest challenges faced by HR are the identifying and retaining the talent. In short, it is a war for talent, a war, which is being fought by the HR professional to, retained the best talented candidate in their organization. Less than 12 months ago it was extremely difficult for employees to successfully recruit professionals in any organization be it financial services or IT. Today the situation has changed somewhat.

In the industrial age, a new entrant in the workforce considered himself to be fortunate to get a job in organization with a name. At the end of the day, he would thank his lucky star if he had a long and stable career. In the knowledge age, this is not so. The new generation of entrant has a much higher self-esteem. He is the one who looks for a break to face the challenge. For him luck is an opportunity to negotiate the impossible. These new entrants are looking for a 'break' and not for stability. As such, it has unleashed a furious war for talent. This war has become daunting, driven by demographic (demographic impacts the availability of talent because recent advancement in health care have significantly contributed to human longevity) in addition to technology.

Warning bells of talent famine are ringing loud and clear. Far sightedness demands that business leaders need to elevate management of talent to a burning corporate priority. Because it is not a walk in the park for the talent market. Infact, quality people are no longer available in plenty and cannot be easily replaceable and not relatively inexpensive. As such, the organization is face to grapple with the paradoxical scarcity among the apparent plenty of qualified jobseekers. Herein lies the key to creating value through talent management. In other words, HR needs to be at the heart of business (4).

Is our country experiencing a scarcity of talent? Is our country, with its one billion people, a large majority of which are young known for their intellectual resource and dominating the IT, Dotcom and telecom industries across the globe, facing a talent scarcity or talent famine. Do we need to join this battle of War for Talent?

Given this global scenario, we in India must consider ourselves very lucky. The reason is the demography of India. India has a young population 7% of Indians are above the age of 60. In 25 years time only 12% will be above 60. As such, the country will continue to be young and will see the rise of educated and aspiring workforce. Also India has a large pool of scientific, technical and professional talent. The educational and professional infrastructure has acquired significance and focus as so well provide backup for effective growth. As such, the Indian professional has all the potentials and possibilities to prove its creativity, adaptability and a spirit of initiative.

When the present becomes yesterday and history, Indian organizations of tomorrow will reflect on why we called the present situation a search and a War for Talent. Right now the HR voice of the organization is frantically searching for people, beckoning people, grabbing people, entering territories of other organizations, seducing and alluring people in an attempt to get them to dislocate themselves from their current positions, and to relocate and join them. Is this desperation real? Is it necessary? Is this desperation aggravated by aggressive search and recruitment processes to bring the right people to the organization and to retain them? Do the organizations not have the right people already? Have the organizations nurtured wrong people for years and years? The refrain of HR voice is how do we get the right people for the right job at the right cost. (4)

Let us look at how this issue, in the Indian context, is perceived and voiced by everyone. That globalization is here to stay & cannot be denied by anyone. However, what does this mean for India, the Indian organizations, the Indian HR and the Indian talent?

Countries across the globe are classified as:

1. Underdeveloped (U)
2. Developing (D) and
3. Developed (D-ED)

Technology across the world is classified as:

1. Old World Technology (OWT),
2. New World Technology (NWT), and now,
3. New New World Technology (NNWT)

If we correlate the two classifications, we get:

1. Under developed countries who work with Old World technology,
2. Developing countries who are manufacturing as well as have skills and expertise to work with New World Technology,
3. Developed countries who can afford to manufacture and design as well as work with New World Technology.

The scenario is depicted in the matrix given below

TABLE 1

	OWT	NWT	NNWT
U		X	X
D	✓	✓	✓
D-ED		✓	✓

*Legends: Old World Technology (OWT) Underdeveloped (U)
 New World Technology (NWT) Developed (D)
 New New World Technology (NNWT) Developed (D-ED)

Let us ask ourselves where India is located in this categorization. We can realistically say that India is a developing country currently using New World Technology but simultaneously grappling with New World Technology. But at the

same time we are also a country using a large proportion of Old World Technology. (3)

We are a country with not only a rich heritage but also an enormous baggage from the past. A society that simultaneously lives with contrasts and contradictions, continuities and discontinuities and rides the waves of most advanced technologies of the future. The Indian society has been agrarian for 2500 years, industrialized for about 50 to 100 years, and global for about 10 years. We are multicultural and diverse as well as polarized within the country. Today our momentum has picked up as we implement change and gallop towards globalization.

Before we ask ourselves the question of Talent let us look at the Indian organizations.

The Indian organization, unlike the Indian society is very young, with a history of just about 100 years. However, it is only the last 15 years that have brought dramatic changes in the functioning and working of Indian organizations. Indian organizations are driven both by external and internal environments, which create enormous complexities and pressures on them to compete with the Goliaths—not one but many simultaneously.

1. Introduction of new state of art technology and upgrading technology generated tremendous anxiety and apprehensions for employees in the

organizations. To a majority of employees, introduction of new technology meant streamlining of the organization and as such reduction in people across levels. The employees were intelligent and experienced enough to know that for the organization to be competitive and cost effective the number of people had to come down drastically. The nagging question confronted by most employees was what would they do if the organization asked them to leave? Many CEOs reassured the employees that they would not be asked to leave but the performance needed to improve which would then be monitored and measured. Lack of answers and assurances to these questions made most employees anxious about their location and jobs in the organization.

2. Redesigning of organization structure meant reallocation of existing people in key positions. This added to the fear at the staff and managerial level as to their continuity in the organization. The organizations in turn held back the process of articulation as there were concerns and apprehensions about throwing out some of the loyal, dedicated and sincere employees who had truly become redundant.
3. Whatever was known of restructuring and redefining of managerial roles through the grapevine or directly, suggested that some functions were bound to become redundant or non-existent. Those functional role-holders became quite apprehensive of their status, location and position in the new set up. The lack of information, uncertainty and ambiguity added fuel to the fire in the organization. The management came under great criticism for bringing

change in the organization without including the employees or inviting their participation.

4. The hierarchical layered structure got redesigned to a flat structure. This meant removing or reducing the disparity, which existed amongst levels as well as across levels of management. However, this also created anxiety around issues of redundancy and limited opportunities for growth or career path.
5. Moreover, as organizations transformed through BPR or New Technology, newer people were required to deal with the changes. (3)

Having said this, let us take a look at the people of the organization—the talent of the organization.

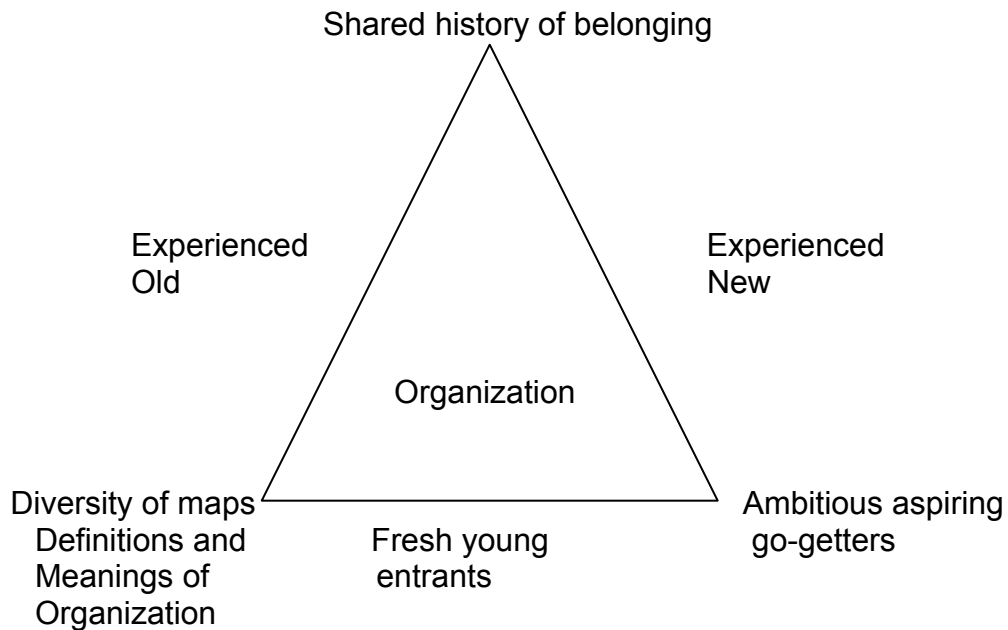
PEOPLE PROFILE OF INDIAN ORGANIZATIONS

From many that joined organizations in the 70s and 80s it was their first job. The individuals grew in their career and social status as the organizations grew. They prospered as the organizations prospered. Their quality of life improved, their aspirations changed, ambitions changed. The employees attributed the security of their life styles to the growth of the organizations they were in. The organizations worked with a policy to recruit people and train them to meet their requirements. The organization provided security, stability, opportunities and prosperity.

Over a period of time the people profile in Indian organizations started to acquire certain characteristics and patterns. There was a large group of people in the organization who were dedicated, loyal and sincere. They flourished and worked in the traditional management style and took pride in their years of service in the same organization and with the same people. The open economy, the revolutionary changes in technology and the changing aspirations of individuals made the existing organization structures, ways of governance, managing people and measuring organization and people performance through loyalty, redundant and obsolete. The growth of the organizations made it necessary and inevitable that new people were recruited who were professionally trained and qualified. These new people—capable, competent and professionally trained—now focused on achievements, climbing the corporate ladder, managing success, managing alternatives, responding to choices, redefining relationships with the organizations and pulls and pushes from multiple systems. For the first time, individuals in organizations were being sought after for their competencies, capabilities and result orientation. This group had choices as they were sought after and could state what they wanted, what they could do and what infrastructures and environment of work were required. Both groups of people were dramatically different from each other.

The recruitment of new people pushed for faster paced transformation in the organization. Both groups of people brought their capabilities and competencies, which were quite different.

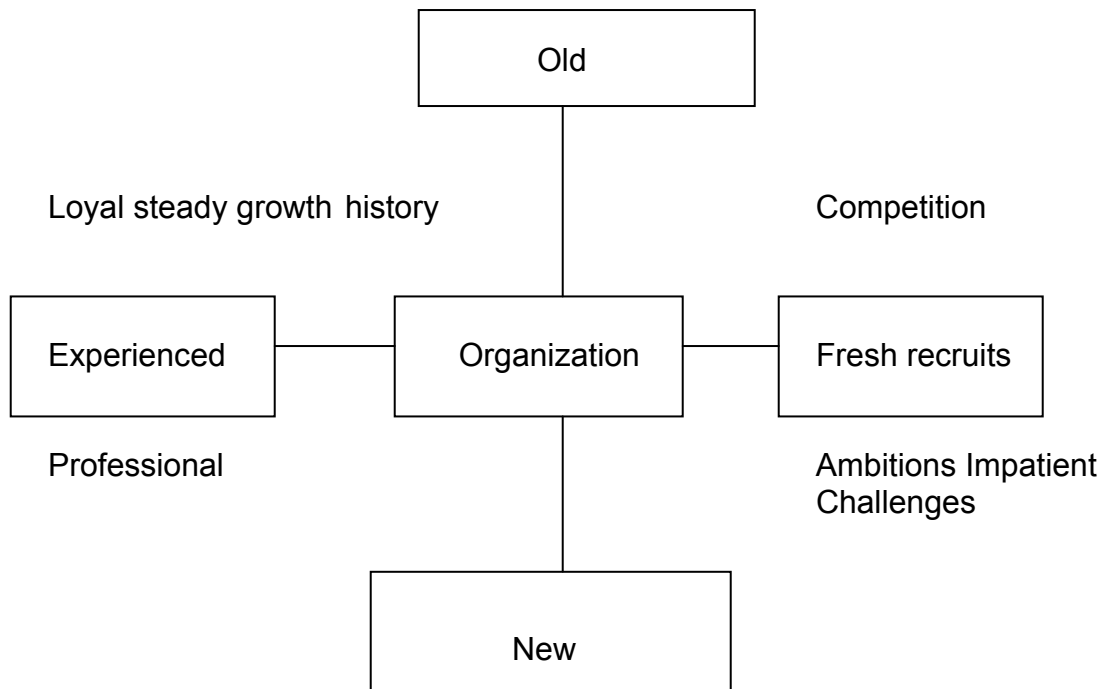
FIGURE
DYNAMIC INTERPLAY BETWEEN EXPERIENCED AND PROFESSIONAL



- The people in phase one hold traditional maps and definitions of organizations
- While the new entrants hold diversity of maps. Definitions and meanings of themselves, others and the organization

However, the organization experienced fragmentation as the two groups pulled and pushed the organization and the leadership in different directions.

FIGURE
PULLS AND PUSHES IN PEOPLE AND ORGANIZATION



- The three generation of people create pulls and pushes in the organization
- It is the leaders role to bring all these groups to cohere and work together

Today the organization structures will have to be designed and operationalised given the reality of the organization and the transforming business and people environment. The organization structures will need to be aligned with technology, business strategy and policies and tasks and people requirements. Organization and individual performance variables and measurement will need to be based on multiple factors rather than just loyalty. People's roles, locations

and life space will need to be included as part of the organizations living reality (2).

Now let us come back to the theme of the paper and ask ourselves a question.

Are we truly and really short of talent? Before we even attempt to answer and say yes or no or maybe, let us examine a few realities.

We are a country with 1 billion people of which, the young constitute the largest group. Why then do we need to think that there is shortage of talent? Why do organizations need to wage a war for talent?

Let us ask another question. Globally, is there a shortage of talent? Now in order to answer this question, we have to come back to our earlier categorization of countries and technologies, i.e. underdeveloped, developing and developed and Old World Technology, New World Technology and New World Technology. Here the answer is—there is shortage of Talent globally in developed countries with New World Technology.

But when we are talking about India, there is no shortage Are we short of talent? No. We have the largest intellectual and trained resources in the world and most important of all Indians speak good English and understand English both the Queen's and the American English. Indians have emerged in the forefront of

global economy breaking all barriers of intellectual scarcity. And are in the forefront of global economy. For the first time in over a millennium, Indians are perceived and accepted as intellectual resources. They are respected and as such the country's image is also changing across the world.

What are the visible characteristics of the Indians, which make them achieve and succeed first on alien soil and somewhat in the country?

1. Native Intelligence
2. Innovativeness
3. Entrepreneurship
4. Imaginative ways of being crooked
5. Calculative mind
6. Street smartness
7. Hard working outside of the country and delivering results through achievements

As against these are some other characteristics, which stop an Indian from succeeding in India.

1. There are role boundaries and captivity in structures without a vision of the organization for layers across the organization.
2. The concept of duty and followership inhibits and freezes the initiatives.

3. In the work environment here, they/employees are sincere, conscientious, loyal and hardworking but do not bring innovativeness, creativeness and energy
4. Indian managers are more effective in a doer/implementer role but not when it comes to planning organizational and business strategies
5. Being caught in the social and organizational structure and framework of hierarchy and authority, they/employees find it difficult to work in groups and teams
6. They are far too dependant on approval and affirmation from the top
7. And they have no pride in the nation, they lack a sense of belonging in the organization and have very little self-worth and self-esteem

Given the nation's organization, group and individual dynamics, what are the challenges for HR to channelize the energy of the first group and to mobilize the second group?

HR needs to:

1. Convert thinkers and philosophers into dreamers and then work at translating their dreams into reality through action initiatives.
2. To stop armchair critiquing of all the problems and find hands-on actions to find solutions. Our national pastime is to criticize. We know the problems, we know the solutions but someone else must make a

- beginning or take the initiatives. Then Indians can find further faults as to how those actions were wrong.
3. To change from followers of instructors to designers and creators of new choices.
 4. To create new paths and generate confidence, self-worth and trust in oneself. (2,3 & 4)

Today, the quality of talent makes the difference between success and failure. As such, the organization needs to realize that without the requisite talent, growth and competitiveness in a complex global and dominative market would be difficult. However, as more and more Indians chase dollar dreams the corporate war that is being fought over talent will continue to be a part of the corporate landscape. As a result, even though the country has sound demography but the Indian organization well needs to chase competency. Capabilities and professionalism there is no room for complacency. The reason is that as the need for superior talent is increasing, large organization in India is finding it difficult to attract personnel even at the entry level. Not only the top managers but also young rookie students are shunning top Indian organization and are going for more attractive dollar dreams. As such, the HR department needs to be quite cautious and needs to come up with the alternative strategy.

HR no longer relates merely to packages and perks, incentives and facilities. It involves unshackling the latent energies of people and generating the impulse for setting new benchmarks and then exceeding them.

The most challenging HR task is to bring about a change in attitude to transform it from negative to positive, from suspicious to trusting and from hierarchical to networking. Hence the quest for top talent is the job of everyone from the leadership to the line employee. However, seeking talent is only a part of the challenge. But the harder part is nurturing and retaining them, which it self becomes a mammoth job. However, in order to overcome such difficulties, the organization needs to imbibe the following themes:

1. To accept the fact that highly talented person makes their own rules as they hold the winning hand.
2. Organization needs to endeavor to create talent than to substitute. Recruit the young and nurture them. This is the only way to avoid being enmeshed in merry go around of job jumpers.
3. Recruit right person at the right job.
4. Facilitate for the growth of competencies. Do not hand out fake platitudes. Realistic feedback is a must for the young talent so that they can improve on their shortcomings.
5. Replace fear with security. Talent will not deliver if there is a fear.
6. Recruit the best managers in HR. good talent needs smart talent managers.
7. Focus on loyalty to the goals rather than to the individual or the organization.

8. Create a new system for people management based on great goals, challenging tasks, meaningful impacts and a conducive learning environment.
9. Facilitate work life balance, by helping the employee to actualize their personal goals. (4)

What can the organization do?

The difficulty of the organization is that they are searching for ready-made talent. This search is like high quality fast food, which is well presented, well packed, is pleasing and appetizing to the eyes but is essentially junk food. Organizations are searching for only brands and selective brands to give themselves a brand. Perhaps organizations are grappling with their doubts of identity and harsh self-evaluations and judgments.

Talent is available, but talent also needs to be created and generated. Organizations say they do not have time to invest in the people. And even when they have invested time in training talent, once created, this talent starts searching for greener pastures and leaves for other organizations that are on the look out for such trained people. Once ready the talent is whisked away right from under their eyes or their fold.

This then is a war of talents. But is the only answer? We must recognize that war, battle, fear, comparison, undervaluing is probably the only way out that

occurs to us. This can be attributed to the turbulent nature of our times, the frenzy of making hoards of money, the galloping need for acquisitions, the insatiable need for comparative visibility, centrality and significance, and the excitement of adorning the magazines and coming live on the screen. These symbolize success in our times. For these we work as if there is no tomorrow.

However, given this reality the organizations and the HR do have some choices.

If we accept that war is not a natural phenomenon, but a creation of the human species arising out of socio-political and economic phenomena, then organizations may like to think of alternative ways of inviting and retaining talent.

In the country of 1 billion people and millions of youngsters, how does an organization pick up bright, intelligent and eager minds? If the organization is not caught up with ready-made talent, then there is a large number young talent not in the English speaking urban centers but in small towns and villages. They are brilliant minds who speak the vernacular language and have studied in the rural, semi-rural, semi-urban centers of the country. This talent has the simplicity, eagerness, enthusiasm, perseverance and determination to learn and grow. However, these groups require investment, channelization, direction and support.

People who are existing in the organization today may come through as mediocre, uninvolved, withdrawn and disengaged. Organizations may wish they

would leave but they are the ones who do not leave. They have become far too comfortable in their jobs, roles and the organization. They may have become the stones around the organization neck draining the organization resources.

Organizations can do something here as well. Talent or employees do not and had not come to the organization with this mindset. They have become like this with the interplay of the pulls and pushes of both the organization and the people transactions. Over a period of time, the cumulative dysfunctionalities become larger than life and there is gradual disengagement of large groups of people, whereas the organization is in a hurry to transform and set a new pace.

The HR can energize this large group through investing in their relearning and equip them with competencies and skills anchored in the vision and the mission of the organization. This group needs to be awakened and mobilized. Their energy needs to be channelized. And this is where the role of the leadership comes into play. Here the role of leadership becomes very important to mobilize and then channelize their awakening from the long slumber.

What is the work environment that attracts the talent and retains the talent? Organizations need to focus on the life space of employees and create a working environment, which is challenging as well as demanding, from them. The younger generation likes to feel they are doing relevant work.

Organizations need to stretch their horizons, and create time and a place for the talent to mature and grow up.

An investment in life space means that individuals need to experience:

1. Security without captivity;
2. A relationship [be it with superiors, subordinates, be it collegiate in the organization or in the family] without emotional compulsions and oppressions but commitment and involvement;
3. A sense of belonging without emotional blackmail; and
4. A sense of freedom without string tied but openness to discuss choices and dilemmas and arrive at resolution.

The younger generation has the vision of a bigger world. They have a larger canvas. Their expectations are intense, their dreams are grand and their aspirations are unlimited. These are the realities of the youth in an uncertain and turbulent world. The youth requires harnessing of this energy and a space to encounter this reality.

1. Organizations must channelize this energy with innovative ideas, directions and alternatives, towards a vision for tomorrow, towards a destination. .
2. The HR's role is to mobilize the individual, collectivity and the organization with a binding force of values, appropriate systems, mindsets of people, organization vision and direction, strategies and policies and above all coherence in excellence and in human processes.

Individuals need to be facilitated to discover that there is a larger context and as such multiple meanings of the same phenomenon. They have to let go of the residues of relationships in past frame works and experience the present.

As the individual takes charge and moves into the unfamiliar and the unknown areas of tasks and active choices, he has to be open to taking risks and experimenting.

The organization can be proud of the journey it has taken, the distance it has traveled and its accomplishments. (4)

Winning the war in this environment demands that the HR function needs to be at the core of an organization's strategy, since the talent will be at the heart of a organization's competitive advantage and value creation in the New World. In order to win the war for talent, the organization needs to imbibe the seven talent imperatives:

1. Instill a talent mindset at all levels of the organization -beginning with senior management. A talent mindset is a deeply held belief that having high caliber people in the most value creating jobs and having a strong bench are critical to achieving the aspirations of the organization.

2. Create extreme employee value propositions that deliver on the employee's dreams. For these, the organization needs to have the four elements of the employee value proposition. They are:
 - Good organization: The organization genuinely cares about its people and the people in turn truly care about the organization. Trust and open communication facilitate interaction. The organization's mission and aspirations motivate each employee.
 - Good leaders: Good leaders treat people with trust and respect and honor the intelligence of all that contribute to the organization. They manage to find the balance between giving the people independence to accomplish their goals and providing guidance or even the guidelines to help them do it. Good leaders build the capacity to achieve results knowing that they do this by unleashing the talents and work ethics by unleashing the talents and work ethic of their people. They know their people and understanding their dreams.
 - Good jobs: Each employee needs to like what they do and the people they do it with. A good job is demanding and stretching that the individual finds interesting and important.
 - Attractive compensation: Money makes the world go around, but it equally represents recognition and fairness. Talented people expect their contribution to be acknowledged and their compensation to reflect their impact.
3. Build a high performance culture that combines a strong performance ethic with an open and trusting environment. Organization culture is a critical element of the 'employee value propositions'. The combination of a strong

performance ethic and an open and trusting environment achieves the greatest satisfaction with culture.

4. Recruit great talent continuously. The most aggressive organizations are always on the prowl for talent. They have a keen sense of who they are looking for and they do their looking in new ways and in new places.
5. Develop people to their full potential. Every organization leaves a tremendous amount of human potential untapped because its people are inadequately developed. Effectively using planned and stretch jobs, coupled with informal feedback, coaching and mentoring will be a facilitator for the developmental inputs.
6. Make room for talent to grow. Organizations suffer an enormous cost by not acting on the negative influence of under performers, because under performers are unable to attract top talent, they do not develop the people below them and block opportunities for those around them which ultimately cause better performers to leave the organization.
7. Focus on retaining high performers. Organizations must truly deliver on their employee value proposition promises if they hope to retain talented people. Beyond the employee value proposition, organizations must demonstrate that they value and appreciate their people. (1)

The history of HR reflects more accurately than anything else, the changing basis for value creation. In the seventies, HR, in the incarnation of a personnel department, was mostly concerned with dealing with labor. A decade later, HR

was concerned with development and retention. In today's context of knowledge-driven businesses, a fundamental transformation has occurred in the HR function.

In fact, HR is no longer a function. It is a strategic partner in adding value; in several ways. HR can fairly forecast fluctuating resource requirements.

Translate an organization's plans for growth, mergers, divestiture, new initiatives and project immediate and longer-term talent needs. Develop a proactive talent management strategy matrix - designed to attract top-flight talent, nurturing and retaining them.

HR can evaluate the return on human capital, focus on getting more from existing resources through productivity gains and evaluate which functions and resources can be strengthened, shared or outsourced. HR can make a business case of employee turnover by quantifying relevant costs and benefits.

HR can foster an environment of learning and innovation. Provide 'internal escape hatches' through opportunities for employees to reinvent themselves, their roles and careers.

HR can use information technology for better productivity. Provide faster, less-expensive and better quality services, reduce HR head count, present a technology sophistication image and integrate new businesses better.

HR can minimize impact of employee turnover through building reserve forces and adopting innovative approaches of 'leave without leaving' through flexi time, flexible careers, telecommuting, retainership and consultancies.

Finally, HR can build employer brand and reputation by embodying the identity of the company as an employer of choice. Communicate overarching goals, connect people and share expertise.

In essence, the HR function now must have the ability to make a company spin in a new direction quicker.

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