

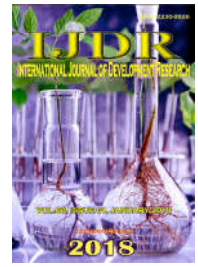


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TALENT MANAGEMENT AND NEW GENERATION WORKFORCE

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ABSTRACT

In the present Global scenario, it has become necessary for the organizations to retain the available workforce, upgrade its talent and manage the same for the competitive environment. This paper explains the concept of Talent Management and New Generation Workforce and its correlation in Indian organizations with HR practices. The paper is divided in four parts. The first part explains the concept of talent management, its need, nature, significance, evolution and development, issues at global level, present scenario at Global and Indian level, etc. The second part explains the concept of new generation workforce, definition of different generations, need and significance of developing workforce in India and across the Globe, characteristics of generation Y, demands and needs by generation Y, Indian and Global picture of new generation work force and issues of new generation work force. In the third part, the Talent Management related to New Generation Workforce in India is explained. At present, the HR professionals are dealing with four different generations of employees in Indian organizations. The characteristics and demands of Indian generations are slightly differing than generations at Global level. This is discussed by past, present and future, expectations, dreams and fulfillments, behavioral issues of New Generation Work force. It is concluded in last part as HR professionals in Indian organizations should give more thrust on including changes within organizations for improving Talent Management processes specifically emphasizing on New Generation Workforce to face the Global competition.

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INTRODUCTION

Talent Management seeks to address how organizations can make best use of the talents of the people they employ. Talent Management refers to the anticipation of required human capital, recruit the same, train them and retain them to meet the goals of the company. Earlier, the HR profile was limited for the recruitment of the people. At the most additional task was to update information about qualifications upgrade, change of address, contact details, marriage information, etc. Then the proper selection procedure came into existence. Training or schooling of the employees was the next step which was also helping the employees to switch the job for better prospects after skill updates. So, to retain the skilled employees was the next challenge for HR. Basically Talent management is

nothing but "A Behavioral Approach to Hire, Develop and Retain the Talent amongst the Employees". All the organizations started Talent Management System now a days for their growth. It is the system which also looks for monitoring and managing an individual's relationship with the organization effectively. According to Jack Welch, talent management deserves as much focus as financial capital management.

Nature & Scope

Major four activities of Talent Management can be given as follows:

- **Recruitment & Acquisition:** To identify and recruit the people
- **Development:** To identify the hidden talent of employee and take efforts to develop the same

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- **Deployment:** To match the talent of the employee for suitable role
- **Retention:** To keep hold of the best performers

Need & Significance

There are specific requirements for Talent Management

Competency based recruitment, Implant value based culture, Design training programme for identified group of suitable people ,Design performance based pay package in such a way that employees will be bound to give consistent performance and upgrade as and when required , Flexibility in role assignment as per the skills and company goals , Timely and relevant training for all the cadres

Evolution & Development

The concept of talent of recruited people was at the selection stage initially. The same was taken care by Personnel Department. The term "Talent Management" was first introduced by McKinsey and Company in 1997. The activities related to Talent Management were succession planning, assessment, development and high potential management. The Talent Management in any company is the reflection of company's strategic management talking about how the company sources, attracts, selects, trains, develops, retains, promotes and rotates / moves the employees through the company.

Initially during 70s to 80s, "Personnel department" was associated with people management. Its scope was to recruit the people and decide their pay package. During next slot, from 80s to 90s the importance of HR function was understood and "Strategic HR" came into existence. The scope was then increased including recruitment, training, beneficial packages, designing job roles and establish a channel between company and employees. In the current era the strategic HR is not sufficient for the company growth. In the fast upgrading world it became necessary to identify the hidden talent and nurture it for the company development. If the packages to the employee are set with this reference, it will motivate them and the investment in training will be surely effective in retention. The planning of the workforce has to be done to meet the goals. Accordingly, the recruitment process should be planned. The workplace culture has to be maintained for succession planning. Training for the hidden talent has to be planned and development has to be monitored for performance management. Beneficial pay packages have to be planned, skill gap analysis has to be done and skilled people have to be given appropriate role for matching the company requirements.

Talent management is driven by

- Demand for human capital
- Workforce trends
- Anticipated skills shortage
- Key – business strategies

Global Scenario

The Global Scenario can be understood with the help of following:

- 2012 – 2013 Talent Management and Rewards Survey US Report by Towers Watson
- Global Talent Management Survey by Ernst and Young, May 2010 (Period of Survey – July to September 2009)
- Many organizations lack in maintaining accurate data of Employees.
- Nearly 1/3rd of the respondent companies said that their talent management programmes were not aligned for Support to Business of the organization
- Integration of talent management & technology platform is inconsistent
- Organization has raised the bar on both hours worked & performance expectation at the same time.
- The work environment is eroded, causing employees to feel excessive pressure at work.
- Managers & organizations in U. S. are rated less effective at performance management than global Norms.
- U.S. organizations are having difficulty to attract & retain employees with critical skills from year 2004 to 2012 reason being the difference of views between employees & employer about "Key Drivers of Attraction"
- Talent Management is a Business Priority in the scenario of "Downturn".
- Mobility of employees working in global organization gets more complex.

Indian Scenario

- Human Resource Management along with Talent Management has experienced a major transformation in Form and Function Primarily from last two decades in India.
- It has progressed from Maintenance function to source of sustained competitive advantage for organizations operating in global economy.
- The factors contributed for evolvment are technology, globalization, diversity, immigration & aging workforce.
- The Indian Organizations are compelled to think globally which is difficult for Managers who were accustomed to operate in vast sheltered markets with minimum competitions from domestic or foreign firms.
- Talent Attraction & Retention in Indian organization scenario is still better as compare to global scenario.
- Talent Management started happening seriously only at the organizations operating at global level.
- Talent Management at Middle & Small Scale Industries in India is still having lot of scope.

Issues at Global Scenario

- As the global economy has become more complex and exerted, more pressure on organization, employees have felt the added burden.
- Organizations should think more seriously about Employee Value Proposition (EVP)
- Organizations should differentiate themselves in the area of design, delivery and execution of total rewards programmes (EVP), which should be aligned with expectations of "Top Talent and Critical Skill Workers"

New Generation Workforce

Definition of Workforce

Taking into consideration the existing scenario of corporate world, having various spheres of activities has to consider different shades of the term "Workforce". For the purpose of present research paper, it was considered prudent to take into account, the interpretation of the term

Workforce = Employees at junior level of management including new entrants and also experienced people expandable up to senior level of management employees.

Definitions of Generations

Each generation is shaped by events, developments and trends of its time. And the media plays a big part in transforming and shaping the perception of generations.

These are explained as follows

Generation	Birth Period (years)	Current Status of Working	Work Perspectives
Veterans / Traditionalists	Born 1922-1945	Retired	"Company loyalty" - Believed they'd work for the same company their entire career.
Baby Boomers	Born 1946-1964	About to retire	"Live to work" - Believe in putting in face time at the office. Women enter the workforce in large numbers.
Gen X	Born 1965-1980	Still working & continued for next 20 yrs.	"Work to live" - Believe that work should not define their lives. Dual earner couples become the norm.
Millennial / Gen Y	Born 1981-2000	Started working and increasing rapidly in numbers	"Work my way" - Devoted to their own careers, not to their companies. Desire meaningful work.
Gen Z	Born after 2000	Expected to start work very soon	"Work to my Desire" - Devoted to their own requirements and priorities. Quality work pre-decided.

(adapted from Marston, Working Mother Magazine, 2007)

Need & Significance of Developing Workforce in India & Globally

In our present topic, we have to discuss about workforce of Generation Y and then Generation Z. Since Baby Boomers have reached to retirement age and X Generation is still working and employed. Here, the newly employed and working Generation is Y only. The characteristics and demands of Generation X and Generation Y differ.

From 2005 to 2025 the percentage of Generation Y in working population is going to increase globally. e.g.

India: 17 % → 28 %, Brazil: 17 % → 25 %, China: 12 % → 23 %, Russia: 14 % → 28 % and USA: 12 % → 23 %

By year 2025, more than 75 % of the population of workforce in India will be from Generation Y and Z.

Who is the Generation Y in India?

In India, they make up the more than half of the population. Despite the large potential workforce, not all are 'employment ready' and so their talents are in short supply. The Generation Y in India is a remarkable group that is ambitious, optimistic, embraces change and has a clear sense of where they are headed. Most are 'entrepreneurial and business savvy, as well as technologically capable and connected. With about half of India's one billion people under the age of 25, Generation Y in India is the world's largest. Positioned in a time of exciting and rapid economic growth in the country, they are keen to participate in the country's future and success.

The country's last parliament elections saw a huge turnout of Generation Y population, demonstrating their ambition to take the country forward. Highly competitive, Generation Y is more than ever before seeking higher education and landing jobs in multi-national companies in areas such as IT, back office operations, media, strategy and management positions. With opportunities aplenty in the current economy, they are also job-hopping, something not seen in their parents' generation. "Gen Ys expect challenging work assignments, accelerated career growth, socially responsible work places, flexible work environments, freedom, and collaboration and innovation from their jobs and employers." (R. Anish, Intel's South Asia HR Director)

Characteristics of generation Y

- More technological savvy
- More social
- Enjoy electronic games
- Entrepreneurial by nature

- Priorities differ from previous generation
- Having own terms and choices pre-decided
- Not believing in old systems for reaching the target

Demands / Needs of generation Y

The demands / needs of generation Y are driven by the characteristics explained above. Few important are as follows:

- Long term career development and multiple experiences within a single organization
- Work life flexibility
- Tech savvy work environment
- Connecting social networks with open and honest communication
- Sense of purpose and meaning in work
- Transparency, openness, sharing experiences, cross mentorship within organization

Indian & Global Picture of New Generation Workforce

This can be very well understood with the help of following report: India Talent Survey report 2012: Perspectives on young talent in India, Deloitte, July 2012. It is becoming more important to improve our understanding of what young talent in India expects and how we can attract and retain them. In this report, new generation workforce is labeled as Millennial "Tiger Cubs".

The findings of the survey are mentioned below:

- There is a difference in thought process, expectations & demands by Generation Y in Indian & Global Context

due to various reasons, but some similarities are also found conceptually.

- Among the total employees surveyed in India, 57% expect to remain with their current employers in the coming year, whereas it is 34 % only at Global level.
- The top retention strategies of the Indian work force are 'Promotion/Job advancement' (57%), 'Additional compensation' (53%), and the 'Opportunity to work abroad' (46%), whereas globally these figures are 53 %, 34 % and 39 % respectively.
- A cash incentive may not be the primary motivation for employees staying or going, but it remains one of the fundamental retention techniques for HR leaders.
- Lack of compensation and lack of career options are the top reasons that influence Generation X and Millennial employees to make a switch - this dual focus on meaningful careers AND compensation summarizes the top concerns of India's Tiger Cubs.
- Interestingly, 'Flexible work arrangements' is identified as a need consistently across generations and gender as an important retention strategy and an incentive to delay retirement.
- Millennial "Tiger Cubs" distinguish themselves from other generations by identifying a 'fun working environment' as a key consideration for the overall employee experience and brand

Issues

This can be explained with the reference as mentioned below:

Future of HR Management in Indian Scenario: Asian Journal of Management Research – Research Article 2010

- HR plays an important role from recruitment, training to the achievement of goals of the company. But, at the senior level, HR should have proper stand to convey the requirements, discuss the HR related issues boldly. This is evident at Global level due to awareness of current situation. But lack of this boldness at Indian Companies forces them to follow the top management.
- The root of all these myths lie in the way, HR has been perceived by top line executives as 'advocates' and by shop floor workers as 'management's stooge'.

Talent Management related to New Generation Workforce in India

Past, Present & Future

The Period after independence was famous as "License / Permit Raj" in India. There was lot of hindrance by Labor Unions in 80's which led to hamper the progress of all types of organizations. Personnel & Administration Departments of organizations were performing the "Job of Fire Fighting Only". During 90's due to Globalization & Privatization the entire industry was challenged and the concept of HRM & HRD came into picture. Till then Talent Management was never taken seriously by organizations in Public and Private Sector up to late 90's. Lot of Mergers & Acquisitions started taking place in late 2000. At present, the scenario of Indian Industry is not only considered as Government Owned, Public & Private, but it is classified into three different categories as Small Scale, Medium Scale & Large Scale Industries.

Large Scale Industries are now forced to start with Talent Management Processes due to Global Competitions & Technology Changes. Medium Scale Industries are still in dilemma, whether to adapt the concept of Talent management and execute the same? In Small Scale Industries, due to its scope and working nature, as well as the size of human resources along with the Time & Cost invested for Talent management Processes; they are not at all in favor of it. As per the 2006 report by the Boston Consulting Group there are a number of challenges for Management for the 21st Century over the next 15 years. It also says that over the next 30 – 50 years, large-scale shifts in workforce demographics, both locally and globally, as well as shifting global economics will lead to changes that affect the future Metropolitan workforce. While the exact timing of anticipated changes is uncertain, there are many changes predicted in the literature for the future workforce. These changes have a number of practical implications for Metropolitan. Some of these changes are:

- Rise of Asia
- Shortened retirements
- Global technical expertise marketplace
- HR as decision science
- Anytime, anywhere collaboration

These changes will have specific impact on the work force. In a report "Future of Work: Preparing for the Next-Gen Worker: Is Your Organization Ready?" by Cognizant Business Consulting, June 2012, highlighted points are as:

- With the emergence of more social and collaborative ways of working, organizations need to amend their hiring, on boarding and employee engagement practices, and fast, if they want to remain viable in the 21st century.
- Next-generation ways of thinking and working are typified by environments where the younger worker is both the mentee and the mentor.
- The drivers of success are changing, and it is becoming increasingly critical to respond to them by leveraging the intelligence of your workforce and broader business ecosystem.
- Companies that collaborate with their customers have a big advantage over traditional "plan and push" businesses.
- "Meaning" is the new currency, as strong employee engagement increasingly requires a sense of "what it means to work here."

Expectations, Dreams & Fulfillments (Gap)

Expectations, dreams & Fulfillments of Organizations (Employers) & New Generation Workforce (Employees) in India differs from each other. There is a clear cut Gap already in existence. The present Workforce in Indian Industries are consisting of three Generations like Baby Boomers, Gen X & Gen Y. Due to the difference in characteristics, expectations, working styles, values, etc. of each generation gap is in existence. The concept of hierarchy in India is powerful and influences all aspects of business including promotions, strategy, and communications, but it is more important for older generations than younger. Following points are noted from a Publication of the Boston College Center for Work & Family, 2008, Executive Briefing Series- The Multi-Generational Workforce: *Management Implications and Strategies for Collaboration*.

Perspectives on Work

Many managers feel that employees should adjust to the organization, rather than considering accommodations or adjustments to address the needs of younger and older workers. However, employees do have variances in their work perspectives, values (social responsibility and volunteerism), motivators (compensation, flexibility, intellectual rewards), and working styles that can be a challenge for managers to address. Employees of different generations define success in different ways; no longer is climbing the corporate ladder the ultimate goal. Younger workers may care less about advancement than about work-life balance, and may be less willing to make sacrifices in terms of overtime or overnight travel.

Inter-Generational Communication

Communication issues can present considerable obstacles to productive cross-generational work. A technology gap often exists between the mature and younger generations. As the first generation to grow up with computers as a constant in their lives, Millennials prefers to use email, texting, and Instant Messaging over face to face meetings, memos and other more formal communication techniques. Baby Boomers may misinterpret this as disrespectful or avoidant behavior, while the younger generation may simply see it as a way to expedite work and maximize productivity.

Knowledge Transfer

As many Veterans and Baby Boomers reach retirement age, the issue of knowledge transfer has become critical to organizations. It will be necessary to pass on the "intellectual capital" of experienced workers to those who will be the new leaders. This will require a focus on communication, documentation, and the formation of relationships that will facilitate the transfer of this critical knowledge. Managers must be in tune with how to work best with their employees and encourage their teams to listen and to respect each others' experience and skills. In a report, "Global Work Place Innovation: Generation Y and the Workplace Annual Report 2010 by Johnson Controls, Global WorkPlace Innovation, iDEA is an independent multi-disciplined design and communications company based in UK and USA. & Haworth, Inc. following points about GEN Y are highlighted through a survey.

Travel

The US and India: The car comes first

Location

India: Workplaces must be located in urban setting to attract the younger generations

New Ways of Working

The UK and the US Generation Y prefer to work far more flexibly, while China and India expect to work flexibly

Creativity and Productivity

The magic formula is: Technology + Ambiance & Atmosphere + People = a creative and productive workplace

FM support services

India has the most demanding workforce

Social Spaces

For the Generation Y, the workplace is a social construction and work is social: Going to work is about meeting people and socializing within the working community. The Generation Y is a sporty and social generation: there is a high demand for sport and social facilities on site.

Environment and Sustainability

It is about looking for a green deal at work. Being Green – Working Green – Living Green: The generation Y is an environmentally friendly work force. The older generations are far greener than the younger generations. The Generation Y demonstrates a green aspiration through their journey to and through work: office location, mean of transport, ways of working, green policies...

Workplace

The Generation Y is an emotionally engaged work force: Colours should be subtle and not too intense. The light should be natural rather than artificial, calling for wide windows and openings. Finishes should be soft and made out of natural and warm materials, rather than hard material

Style

Style matters and should be modern rather than contemporary. Women are more attracted to modern interiors than Men. Men are more attracted to minimalist interiors than Women. Art should be present in the office, but not too much of it!

Workspace

They need to identify to and feel they own their work space. The large majority still want to have their own desk. Less than a 1/5th are happy to share a desk. Men are more comfortable in wider space than women

Collaboration

The Generation Y is team focused and places a great importance on work with and amongst a team: The Art & Design industry is the most eager to collaborate and Engineering industry is the most team focused industry. China has the highest demand for breakout spaces combined with the highest preference for shared and hot desks. 35-44 years old have the least requirement for formal meeting rooms

Scarce

In India, the Generation Y makes up more than half of the population. Despite the large potential. Workforces, not all are 'employment ready' and so their talents are in short supply. There is a dearth of them entering the work force in Western Europe. In the UK, for example, they are the smallest of the generations in the current total population. Increasing numbers of them are highly educated and their talents, as in the rest of the world, are in demand. Also, as economies and businesses become more knowledge-intensive, knowledge and skills are at a premium.

The fact that there are not enough of them only makes their talents even more attractive than they already are.

Behavioral Issues of New Generation Workforce

- They are more dependent on technology and latest electronic gadgets like calculators, internet, smart phones, etc. which is a great hindrance to apply their own / acquired (?) knowledge.
- They are more extrovert than introvert and try to maintain their status immediately through virtual social network.
- Their mind is occupied by indoor games especially mobile and computer related games; which is a major problem for the physical and mental health of individual.
- They do not believe in systems, processes, etc. already established. They want to have the systems and processes designed by them. This is dangerous for any organization.
- They think differently than previous generations about priorities of work and life, work – life balance, social views, etc.

FINDINGS AND CONCLUSION

Organizations which realize the true value of talent management through its acquisition, retention and its positive implications certainly build a competitive advantage. As such HR professionals should thrust upon introducing changes in their approach, policy towards New Generation Workforce which will certainly yield excellent results in overall growth and performance of the organization.

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