Talent Acquisition – A Huge Challenge For Organisation

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Abstract- *The 'war for talent' is on and various phenomena across the globe are only making it difficult to acquire the 'right' talent. With the shrinking of available talent pool, acquiring and retaining high quality talent has become critical to an organisation's success.*

Organisations are constantly facing the challenge of making quick hires and that too in a market with shortage of talent for managers to get the right talent at the right moment. For this acquiring right talent has become crucial for an organisation. Within many corporations, however, recruiting as a designation did not encompass enough of the duties that fell to the corporate recruiter. A separate designation of talent acquisition was required to meet the advance and unique function.

The thorough study of talent acquisition highlights the challenges organisations faced and what methods they have adopted to overcome it.

Keywords- Talent Acquisition, Recruiter, Right Talent.

I. INTRODUCTION

Social development in developing countries has traditionally been viewed as the responsibility of the governments because of the massive scale of its operations and the limited or no capacity of its beneficiaries to pay for the services. While the need for social development in developing countries is enormous, the resources available even with the governments are limited. Besides, the government machinery and the bureaucracy are ill-equipped to monitor the implementation of social development projects at the grass-root level. Hence, over the years, governments in the developing countries adopted a policy of gradual withdrawal from various social development activities. This has created multiple voids in the social realm which have been filled by nongovernmental agencies commonly known as nonprofits. The nonprofits play an increasingly important role in providing services, for which the public and the private sector lack time, information, resources and inclination. They advocate for a variety of social, political, environmental, ethnic, and community interests and concerns, contribute to the social and cultural life of the society, and actively participate in community building (Salamon,

Sokolowski & List, 2003). They combine economic and market forces with social goals (Vigoda & Cohen, 2003) and their employees are expected to fulfill business requirements as well as strictly adhere to ethics, accountability, and equity in services. The nonprofit organizations, in the course of their service, face several challenges in terms of reductions in government funding, decline in charitable contributions, competition from for-profit providers of certain services, and demands for increasingly higher levels of accountability. In recent times, however, an increasing number of non-profits have been seeking additional revenues by behaving more like for-profit organizations. According to Dees (1998), the nonprofits are scrambling to find commercial opportunities for a number of reasons. First, a new pro-business zeitgeist has made for-profit initiatives more acceptable. With the apparent triumph of capitalism worldwide, market forces are being widely celebrated. There is a growing confidence in the power of competition and the profit motive to promote efficiency and innovation in development organizations. Second, many organisations believe that institutional charity can undermine beneficiaries' self esteem and create a sense of helplessness and dependence; self-reliance is the new mantra. Third, the sources of funds available to nonprofits are tending to favor more commercial approaches. There is greater availability of money for operating on a more commercial basis. Lastly, and most importantly, organisations view income-generating activities as a more reliable funding source than donations and grants. Many of them now consider extensive dependency on donors as a sign of weakness and vulnerability. Organisations generally are heavily dependent on individual and/or institutional donors for funding specific projects or initiatives. It is but natural for donors to closely monitor the usage of funds donated by them. In order to regulate and control the spending of organisations, the funding agencies put various restrictions on the usage of funds. One such restriction is spending on human resources within the organization in the form of salaries, benefits, incentives, training and the like. This situation is paradoxical, as these organizations experience a variety of human resource issues within their own organizations while taking up the ultimate goal of augmenting the human development in the larger society. All organisations - irrespective of their size, type, sector or profit-orientation - experience human resource management issues of one type or another. As talent is rare, valuable, difficult and hard to substitute, organizations that

attract, select and retain better talent outperform those that do not (Barney and Wright, 1998). Organisations, like other organizations, compete with each other to attract better talent, which is further intensified by the fact that the talent pool available to organisations is often limited, since the sector is not perceived to be glamorous and remunerative as the corporate sector. The high turnover of qualified employees in organisations has increasingly negative impact on recruitment, training, and service effectiveness. Filling a position in a organisation poses a significant challenge, given the lack of competitive incentive systems in the sector. Vacant positions may eventually be filled, but with reduced chances of obtaining qualified candidates, additional costs for employee training and development, and higher chances of service disruption. The 21st century has witnessed an explosive pace of technological advancement, facilitating global sourcing and the consequent global operations, which are the main drivers of change in employment patterns, leading to intense competition among employers to attract and retain talented workers (Osborn-Jones, 2001). Without doubt it can be said that today an organization's success is directly linked to the talent it can recruit and retain. Recruitment is critical not only for sustaining competitive advantage but also for basic organizational survival (Taylor and Collins, 2000). Escalating demand for highly talented and skilled employees coupled with limited supply makes the acquisition and retention of talented employees a major priority for organizations (Flegley, 2006) especially for organisations. The nature of organisations and their socially desirable goals create an expectation that the employees work for the cause rather than for the paycheck. Further-more, organisations especially the nonprofits are unable to compete with for-profit organizations in providing good pay and incentives to employees (Brandel, 2001). Hence it is almost impossible for them to survive without innovations in the field of human resource management, especially for acquiring and retaining talent. This paper attempts to understand the various types of organisations and their nature of work, with a view to appreciating the human resources issues faced by them. The paper examines the different strategies and practices adopted by organisations to innovatively deal with the many and varied human resource related issues faced by them, especially those relating to talent acquisition and retention within the organization.

II. HUMAN RESOURCE ISSUES OF ORGANISATIONS

Human Resource Management (HRM) is of utmost importance to organisations mainly for three reasons. First, the personal services provided by organisations mean that these organizations cannot replace employees with investment in physical facilities and equipment. In most cases, the service-providers employees are equated with the services and therefore are the single most important asset of nonprofits and organisations (Barbeito and Bowman, 1998; Hall et al., 2003). Second, more than in other organizations, employees of organisations are attracted and motivated by intrinsic factors such as a belief in the organization's mission and values and an opportunity to actualize their individual values, and participation in decision making (Brandel, 2001; Brown and Yoshioka, 2002; McMullen and Schellenberg, 2003a). Obviously, these factors have an impact on the recruitment, retention and motivation of people in organisations (Brown and Yoshioka, 2002). Third, in view of the need for professional delivery of services and accountability requirements of the new funding environment, employees are arguably the most critical stakeholders in the strategic positing of organisations. It could be argued that employees of organisations are more likely to experience job dissatisfaction if: (a) they perceive that their organization is not achieving the public good that attracted them; (b) the mission is de-emphasized or derailed by other considerations and (c) the espoused values are inconsistent with those practical in the organization. It has been observed in a study by Howe and McDonald (2001) that the increased accountability requirement has become a source of stress and job dissatisfaction among employees of a child welfare organisation. Similarly, Peters and Masaoka (2000) found that disgruntlement among employees, particularly relating to lack of participation in the decision-making process contributed to increased unionization in nonprofits organizations. HRM impacts and is impacted by the context within which it exists (Belcourt, and McBey, 2000). Organisations often get pulled in opposing directions: on the one hand, there is an urgency to do more of what they already do in achieving their social objectives: on the other hand, there is pressure to become more effective and efficient (Barbeito and Bowman, 1998). This has resulted in drastic changes in the operating environment of organisations over the past two decades (Hall and Banting, 2000; Reed and Howe, 1999; Smith and Lipsky, 1993). Because human resources are the primary assets of organisations (Barbeito and Bowman, 1998), the need to adapt to change and the pressure to do more are causing a lot of strain in the management of human resources in these organizations. Ban, Drahnak-Faller and Towers (2003) maintain that recruitment, retention, and workforce diversity are some of the major problems being faced by HR managers in nonprofit organisation. In addition, they found that it is difficult for nonprofits to recruit in certain areas, such as information technology and business development, as the salaries prevalent among these professionals are too high for them to afford. The third sector organizations, with limited resources are trying hard to balance the expectations of top talent in the globally

networked economy while pursuing their donors and persuading them to provide flexibility in spending on human resource so that they can retain them effectively and efficiently to bring about a change in the larger society. Though the donor-dependency is relatively low for organisations, they too are not in a position to offer high salaries and perks to their employees. Brown, Carlton, and Munoz (2004) argue that compensation is an important factor that influences employee turnover in organisations. Even though employees are attracted by the mission of the organisations and are satisfied with their work, they do not find the compensation attractive enough for them to remain in the organization for long. While it is often claimed by researchers that individuals who choose to work in the non-profit sector are differently motivated than those who work in the for-profit sector (Fredrickson & Hart, 1985; Houston, 2006; Brewer, 2003; Rainey 1983; Wittmer, 1991), it is not unreasonable for employees of the third sector to expect a decent compensation for their work career growth opportunities, though not on par with those in business and commercial enterprises. The lack of investment in human resources leads to various critical problems for the third sector organizations, such as low motivation, high frustration, quick job shifts, etc among employees, which act against the growth and development of the organization. On the other hand, organisations spend large portions of their scarce resources on recruiting and training new employees from time to time. This is a paradox that makes observers wonder if the resources spent on recurring recruitment and training could be spent more beneficially towards compensating the employees adequately so that they would stay longer with the organization and compensating the employees adequately so that they would stay longer with the organization and ensure smooth and continuous operations, and thereby leading it to higher levels of effectiveness. Talent acquisition in organisations It is widely recognized that human resource plays a significant role for enhancing an organization's performance and effectiveness (Huselid, 1995). No wonder there are persistent efforts by organizations irrespective of their size, age, type sector, etc to attract the best talent available. Talent has become the key differentiator for performance management and for leveraging competitive advantage especially in knowledge-based organizations (Bhatnagar, 2004). With better talent acquisition and development, employee engagement improves and so does productivity. Maximizing team engagement, motivation, and retention through due diligence in talent acquisition is vital in today's highly competitive environment. Only a talent resourcing process that is well defined and well-executed from start to finish yields consistent and compliant results which will in turn yield a competitive advantage in the war for talent (Ronn, 2007). For recruiting employees at the lower levels, especially for jobs requiring knowledge of local language and

familiarity with local conditions, organisations often use employee referrals and local newspaper advertising - methods that are relatively inexpensive and have a local focus. Although referrals are highly effective, the tendency of people to recommend individuals like themselves or recommend them for non-professional reasons can potentially lead to the reduction in diversity as well as quality among the workforce (Ban et al., 2003). There could, however, be an advantage for the employee referral system that the employees, with their thorough knowledge of the organization, would be able to bring in the most appropriate candidates, especially in terms of ideological congruence with the organization. This is of particular relevance for organisations in view of the fact that research studies have consistently shown that a better match between the employee values and the organizational values predicts employee commitment and satisfaction on the job (O'Reilly, Chatman, and Caldwell, 1991). As organisations have limited resources to spend on recruitment, most of them now-a-days use the Internet and campus recruitment mechanisms for recruiting large numbers, especially those with specialized knowledge and skills. For example, microfinance organizations such as BASIX and FINO (Financial Information Network Organization) regularly go through campus recruitment. For specialized skills and for sourcing from wider, areas organisations generally use the available web-based job portals to advertise about their organizations and post the job profiles of the vacant positions. Usually these organizations prefer dedicated development-sector job-portals such as devnetjobs.org, barefootjobs.com etc rather than general job portals such as naukri.com or monster.com. While it is difficult for organisations to mobilize job applications, it is even more difficult for them to process these applications due to limited or no HR specialists available with them. Such difficulties are aggravated by the indiscriminate applications by candidates who apply without looking at the profile and the nature of the job. Over the years, the number of corporate executives looking for a career shift has drastically increased. Although this talent pool is a very good source of recruitment for organisations, the latter are finding it tough to tap this growing potential employee pool, because of their limited capability to meet the high expectations of this group. Notwithstanding this, there are some social venture-funds organizations such as Aavishkaar, based in Mumbai, who make use of this trend as an opportunity to attract the corporate talent at relatively low cost. For recruiting fresh graduates, however, a method that is becoming increasingly popular is the volunteer program (used by Acumen Funds for example), which is an apprenticeship scheme for those interested in the field. In a volunteer program, interested candidates get a taste as well as training of the actual work. This reduces the cost of training and development of the employees and also helps them to assess the interest and suitability of

candidates 'on the job' and recruit and retain them at a significantly low cost. The candidates would also benefit from the volunteer program, as it gives them an opportunity to assess themselves vis-à-vis their 'future' job and organization before committing themselves.

III. TALENT RETENTION IN ORGANISATIONS

Retention of non-leadership staff in organisations deserves special attention since the loss of such staff is costly in terms of new recruitment, training and development, interruptions service, and decreased employee morale (Halpern, 2006; Ban et al., 2003; Lynn, 2003). Researchers maintain that the most important goal of the contemporary human resource systems is not to recruit the finest professionals, but to create congruence between people and organizations so that they would stay and work with the organization (Lynn, 2003; Vigoda & Cohen, 2003). Watson and Abzug (2005, p.628) refer to it as the process of creating "fit and embeddedness". Value and goal congruence positively affect employee performance, job satisfaction, tenure, and career success. In the absence of such congruence, an employee cannot reach the expected level of performance, and tends to accuse the organization of being politically discriminative and inequitable. In order to avoid such a potentially destructive situation, there has to be a continuous assessment of the interface between the employees and their work environment, and the development of advanced HR strategies for recruitment and retention (Vigoda & Cohen, 2003). This is particularly relevant for the current situation when the retention rates for organisations especially the nonprofit organizations continue to decline, with more workers turning to the for-profit corporate sector as an alternative (Light, 2000; Salamon, 2002). Against this background, it is not surprising to see that organisations, many of which are also not-for-profit organizations, undertake HR innovations almost on a continuous basis, particularly in the area of employee retention.

IV. CONCLUSION

Talent acquisition is one of the most dynamic as well as challnging areas. Change is here to stay and most progressive organisations have understood that the talent acquisition practises which are working today may not necessarily work tomorrow. Job seeker expectations,advancements in technology, market changes and strategic business decisions will continue to initiate new trends in the talent acquisition process.Hence, to face challenges, organisations should be able to leverage the most effective processes and technologies for talent identification and acquisition.

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