TALENT MANAGEMENT: A PSYCHOLOGICAL APPROACH AND CORE BUSINESS ISSUE TO INCULCATE DIVERSITY MANAGEMENT

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ABSTRACT

This paper aims to integrate research on talent management practices along with diversity management. Increasing the talent of diverse workforce talent in globalization era is a key to competitive advantage. Diversity management provides opportunities to attract, retain & develop the talent pool of all the employees of the organization to contribute to organizational goals & ignoring the talent of diverse workforce costs time, money & efficiency. Organizations that are successfully managing the talent of diverse workforce are at top of the ladder.

Keywords: Talent management, Diversity Management, Competitive advantage, globalization

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1. INTRODUCTION

In today’s global economy, developing the talent of diverse workforce plays a distinctive role for organization’s success. The diverse experiences & ideas of our people helps to develop new & innovate business solutions To survive in today’s competitive business arena, more employers are adopting fair employment practices to attract talent. This certainly creates workforce with different values & beliefs. Organizations need to realize that diversity of talent is as important as diversity of culture, gender, race, religion, etc.

2. REVIEW OF LITERATURE

2.1 Talent Management

The need for effective talent management is gaining attention in the area of cross-cultural influences on work motivation and job performance (Bhagat & Mc Quaid, 1982; Earley, 1997; Steers & Sanchez runde, 2001; riandis, 1995).Global talent management (GTM) has been defined in broad terms as an organization’s efforts to attract, select, develop and retain key talented employees on a global scale(Stahl et al.,2007).

Managing talent requires doing what HR has always done but doing it faster (via the internet or outsourcing) or across the enterprise (rather than within a department or function). Olsen offers a characteristic view, “A company's traditional department-oriented staffing and recruiting process needs to be converted to an enterprise wide human talent attraction and retention effort”.(Olsen,2000,p.24)
Eskildsen and Nussler (2000) in their research suggested that employers are struggling to be talented employees in order to maintain a successful business. In the same bases, Mark Parrott (2000), Anderson and Sullivan (1993) and Rust and Zahorik (1993) believe that, there is a straight line linking employee satisfaction and customer satisfaction. Thus, high satisfaction has been associated to retention of both customers and employees. The literature of employee retention clearly explain that satisfied employees who are happy with their jobs are more devotion to doing a good job and vigorous to improve their organizational customers satisfaction (Hammer 2000; Marini 2000; Denton 2000).

2.2 Diversity management

Diversity in the workforce can be a competitive advantage because different viewpoints can facilitate unique and creative approaches to problem-solving, thereby increasing creativity and innovation, which in turn leads to better organizational performance (Allen et al., 2004). Managing diversity means enabling the diverse workforce to perform its full potential in an equitable work environment where no one group has an advantage or disadvantage (Torres and Bruxelles, 1992).

For organizations, this means that their market share, efficiency, human capital, international competitiveness, and level of innovation will dependant in part upon their ability to effectively manage a diverse workforce both within and across organizational boundaries (Barker and Hartel, 2004; Dass and Parker, 1996; Kandola et al., 1995, Strauss and Mang, 1999). Single-threaded diversity solutions, such as focusing only on recruitment or single-approach management techniques, such as requiring every employee to take diversity training, do not create lasting change (Kossek & Lobel, 1996; McMahon, 2006; Thomas, 1990). Bringing about the changes needed to build and sustain diversity requires commitment, strategy, communication, and concrete changes in organizational structure and processes. Framing workplace diversity initiatives affects the outcomes an organization achieves. For example, an organization may define diversity as regulatory compliance, as social justice, as the responsibility of only part of the organization, such as HR, as a strategic planning outcome, or as a community-focused activity (McMahon, 2006).

2.3 Role of Talent Management for Diversity Management

Diversity enhances creativity and innovation (Adler, 1997; Jackson et al., 1992), and produces competitive advantages (Coleman, 2002; Jackson et al., 1992). London and Sessa (1999) argued that the organizational needs assessment and specifications of executive work requirements should consider potential global demands on the executives to be hired. They argued that companies can operate at three levels of globalization (see also Bartlett & Ghoshal, 1989) – (a) dealing with constituencies and stakeholders from different cultures but from a strong or dominant corporate base within one culture; units in other cultures are directed from the perspective of the corporation’s home culture (b) developing connections among decentralized corporate units, each reflecting local cultures and business customs; (c) developing a transnational culture within the corporation that integrates and supersedes local cultures. These levels reflect increasing global complexity within the organization. Likewise, London and Sessa argued that greater cultural complexity and diversity raises the
cultural demands for top executives. Cultural complexity and demands contribute greater cognitive and social executive work requirements (e.g., multicultural understanding; cultural intelligence; Earley & Ang, 2003) for such executives, and accordingly deserve unique consideration in the specification of their position requirements.

The devolution of HR activities to line managers is accompanied with the emergence of HRM, which emphasizes the critical influence of people issues on effective business performance and therefore requires the co-ordination of line managers to direct all resources, including human resources, towards organizational success.

Responsibilities for HR activities, such as recruitment and selection, reward, grievance and discipline, managing diversity and so on, are devolved to line managers who exercise greater autonomy and authority. Thus, Boxall and Purcell (2003) comment that HRM does not belong to HR specialists, it belongs to line managers and the people they manage (Armstrong, 2006). Shifting responsibility for HR activities to line managers is also handed over to TM. TM is no more the domain of HR; it now generates a strategic necessity requiring the involvement of line management in TM programmes. Human Resources directors face a serious challenge in developing organizational diversity. The changes needed are particularly difficult (Porter, 1995; Schein, 1996; Zahe, 2002). Meeting this challenge takes top management commitment, the skilled training and breadth of organizational knowledge HR possesses, and a share understanding that managing diversity is not a problem to be solved but an ongoing and lengthy process. Without the participation of all members in the organisation, the goals of capturing the best that diversity brings will not be achieved (Hermon 1996; Hodge et al. 1996; Joplin and Daus 1997).

3. CONTEMPORARY DIVERSITY INITIATIVES

Diversity as defined by Kandola et al (1995, p. 2) is “virtually all ways in which people differ, not just the more obvious ones of gender, ethnicity and disability.” This paper will focus on one of the most important dimensions of diversity that must be faced by management, cultural diversity, since this will increase with the changing composition of the workforce, the influx of international workers and increasing globalization of business.

The globalization and universal access to information have transformed the marketplace – it has become more diverse. Multinational corporations with operations in many countries face the challenge of managing diverse workforces on a bigger scale than ever before. In many areas of the world, diversity has become one of the imminent features of the environment that makes an effective management of differences a critical success factor for many large organizations. Diversity refers to a broad range of characteristics including: gender, age, race, disability, cultural background, sexual orientation, education, religious belief, class, tenure and family responsibilities.

Managing Diversity is an initiative which recognizes the links between effective people management and increased organizational efficiency and productivity. Diversity can be very helpful for the development of the organization only if there exists coherence among
everyone. With the increasing richness of diversity in the world and in the workforce, we need to expand our outlook and use creative strategies to be successful.

Organizations also need to understand the time it takes to produce a heterogeneous pool of candidates, particularly as demographics shift. For example, as in most countries, the field of engineering in the U.S. has been predominantly dominated by men. However, as a result of government and industry influence, educational institutions have been encouraged to increase the numbers of women and minorities pursuing careers in engineering. While diversity initiatives are specific to each organization, there are certain broad strategies which can be an effective starting point for many companies. The goal of these strategies should be to create a corporate culture focused on inclusiveness. Making leaders must be accountable for diversity initiatives and the rewarding the achievement of inclusion goals.

Diversity training presents an opportunity to increase knowledge, respect and build a more inclusive environment where employees can contribute to their fullest potential. Diversity training which is part of a Diversity strategy can be leveraged to support other organizational goals, such as retention, customer satisfaction or productivity. Diversity initiatives were often poorly conceptualized, lacked specificity, and were not linked to strategic organizational plans. Today’s leaders realize that in order to be effective, successful diversity planning must be aligned with and provide support for strategic business objectives and operational decisions.

4. EMPLOYER TOOLS OF TALENT MANAGEMENT FOR MANAGING DIVERSITY

Greater diversity means greater variation in perspectives and approaches. To maximize organizational success, employers don’t just work to retain employees from diverse backgrounds; they also endeavour to leverage the diverse workforce to benefit from what these employees bring in terms of perspectives, including knowledge of diverse markets. As the workforce becomes more diverse and the environment more open to new ideas and ways of thinking, organizations have found that employees and teams become more effective in processing information, solving problems, and contributing to the organization’s mission.

To capitalize on diversity, managers have to think about an appropriate work environment for their diverse work teams. For example, an ideal work environment for an R&D team seeking to find a new treatment for cancer would emphasize creativity; promote innovative thinking, support diversity values and a sense of group identity. Effective management of diversity leads to easier talent attraction and retention, maximizing talent, increased creativity, intellectual diversity, innovativeness, productivity and performance. It allows better decision-making and better connection with customers and finally, it improves company reputation.

Leaders have disproportionate influence on the actions of organizations, therefore it is important not only to make a strong business case to senior management for a diverse workforce, but also to senior leaders to role model appropriate behaviours.

Companies with diverse talent pools usually have better connections to their external constituents. Workforce diversity should reflect customer diversity. Companies who make an
early link between their workforce and their local communities are better positioned to win business.

Companies that have successfully developed and implemented diversity strategies have also developed diversity training programs for their employees. All of the training programs surveyed in this report where developed with employee research and input, and are implemented using a combination of internal and external resources. The recruiters should have a set of best diversity recruitment practices to follow and an ability to translate each of them into their organization’s culture. The recruit team should, for example, identify and discuss tactics for developing a broad and deep pool of applicants. More importantly, the diversity recruits need to perceive the recruiters as focused on their needs and concerns.

Diversity is not a numbers game or saying that you are an Equal Opportunity Employer. Diversity only comes when there is a real commitment to go the extra mile to make it happen as opposed to going through the motions of making it happen. Talent management requires a talent culture to be developed so that talent conversations become acceptable throughout the organization and diverse workforce must be encouraged to expand their networks. Retention of diverse workforce at all levels in the organization is key to success and more and more it is acknowledged that brand, leadership, recognition and good people practices are key to retention.

5. IMPLICATIONS OF TALENTED DIVERSE & CULTURALLY COMPETENT WORKFORCE

The diverse workers and managers should be culturally competent and be able to effectively manage diversity if they are to work synergistically in today’s competitive work environment. Becoming an effective diversity advocate or “manager” and learning to remain as such is a moral imperative for all leaders in today’s global world. Achieving cultural competence in the workplace demands that discrimination not be tolerated, and ethnocentric attitudes put to rest. Cultural competence in the workplace involves more than just promoting awareness and recruiting a diverse staff and developing diversity training. Every unique employee brings his/her unique self into the workplace. It is important that this uniqueness is recognized, accepted & valued by peers, leaders & subordinates, just as it is important for an employee to value the uniqueness of others as well. It is the responsibility of management to develop, implement, monitor & review the organization’s diversity efforts. Significant consideration is required in the selection of the individuals who will lead the strategy for managing diversity for success.

Companies that prosper have the capacity to effectively solve problems, rapidly adapt to new situations, readily identify new opportunities and quickly capitalize on them. This capacity can be measured by the range of talent, experience, knowledge, insight, and imagination available in their diverse workforces. Cultural diversity can be a formula for success. Managing diversity requires situational adaptability & communication skills which affirm the value of diverse people & which communicate positive expectancies. Successful organizations recognize the need for immediate action & are ready & willing to spend resources on managing diversity in the workplace. Organizations with diverse employees are
better suited to serve diverse external customers in an increasingly global market. Such organizations have a better understanding of the requirements of the legal, political, social, economic & cultural environments. Diversity can be very helpful for the development of the organization only if there exists coherence among everyone.

Diversity management involves creating a supportive culture where all employees can be effective. In creating this culture it is important that top management strongly support workplace diversity as a company goal and include diversity initiatives in their companies' business strategies.

6. BUILDING DIVERSITY INTO TALENT MANAGEMENT STRATEGY

Employers are not up to speed with threading diversity through talent management strategy & are missing out on the benefits of assessing & developing talent from the widest possible pool. According to new research by the Chartered Institute for Personnel Development (CIPO), organizations are not linking up their efforts on talent management & diversity in a way that would ensure the best business performance. Diversity is an integral piece of, and solution to, talent management. As organizations become more global, cultural diversity becomes more prevalent than ever before. Organizations must be able to help their leaders and teach managers how to foster diversity and develop people instead of giving them perceived unfair advantages. Focus on diversity enables a critical mass for developing the best and the brightest talent, based on merit and not simply on various visible or invisible features. Companies need to accept the difference, respect the difference & live with the difference. A diverse workforce offers a broader pool for the scarcest of all the resources. Multinationals must look to their diverse workforce & must be committed to developing & promoting the best people, wherever they may be.

7. DIVERSITY & INCLUSION

Inclusion is a state of being valued, respected and supported. Inclusion should be reflected in an organization’s culture, practices and relationships that are in place to support a diverse workforce. Diversity is the mix; inclusion is getting the mix to work well together. Many organizations are proud to display their espoused values like respect, teamwork, individual dignity, and integrity on plagues throughout the workplace. There is no single way to build a more diverse and inclusive company. Each organization must find an approach uniquely suited to its specific situation and needs. Diversity management thought and practice has changed through the years from its initial exclusive focus on compliance and representation to inclusion and leveraging differences for business objectives. Diversity & inclusion go hand in hand.

8. USING HR METRICS TO INTRODUCE DIVERSITY ACQUISITION

Effectively measuring diversity initiatives has been a struggle for many companies. For some, measuring results is tough because the necessary data needed to measure diversity has not been collected. Some companies use simple mathematical formulas to help organizations translate diversity information into solid numbers.HR Metrics provide a number of factors that can be measured to show how diverse workforce contributes to the business.
9. TALENT MANAGEMENT CHALLENGES FOR DIVERSITY MANAGEMENT

The marketplace has become more diverse and the composition of talent needs to reflect that. Understanding diversity has broadened, going beyond gender and race to include profiles and cultural backgrounds, age and disabilities. For effecting Diversity Management in the system, employees should be receptive to new ideas. Teams with low diversity on values and goals have the least conflict of all. Closely aligned values reduce non-productive conflict and lessen the negative effects of social category diversity.

The biggest danger for talent management is when, in the name of diversity, organizations lower expectations and create tensions among employees. Organizations must be able to help their leaders and teach managers how to foster diversity and develop people instead of giving them perceived unfair advantages. Diversity leaders would do well to start thinking more like Talent Managers, integrating initiatives and meeting with their Talent Management partners. For Diversity to finally and fully achieve its objectives, it needs a range of champions, but not just HR or Diversity Directors. It needs the full support of the organization, which Talent Management is already getting. There is a great deal to be learned from how Talent Management is doing that, and a lot of potential benefit from making sure that Diversity is closely aligned to this rapidly emerging and significant new area. Many of those organizations that employ Talent Management are already embedding the thinking and behaviour that embodies Diversity throughout their organizations. Organizations need to promote diversity and design strategies to retain people reward high performance and provide opportunities for development. Global talent management includes all organizational activities for the purpose of attracting, selecting, developing, and retaining the best employees in the most strategic roles (those roles necessary to achieve organizational strategic priorities) on a global scale. Global talent management takes into account the differences in both organizations’ global strategic priorities as well as the differences across national contexts for how talent should be managed in the countries where they operate. Equal opportunities have been promoted as a key component of good management as well as being legally required, socially desirable & morally right.

Diversity across people always exists. This could be in terms of many aspects, such as competence, potential, professional background, and so on. TM confirms such a divergence, and then advocates differentiation management in accordance with their perspective situations. Hence, TM is a breakthrough and evolution in the domains of contemporary management ideologies. This also explains why the interviewees held an optimistic view about the future of TM. The challenge for management in this new century is capitalising on the talent of cultural diversity. Managers have to recognise the differences and to value and use the unique strengths each person brings to the workplace.

CONCLUSION

Many of those organizations that employ Talent Management are already thrust in the thinking and behaviour that demonstrate diversity throughout their organizations. Organizations need to nourish the diverse workforce and design strategies to retain people and provide opportunities for talent development.
REFERENCES


