Chapter II

Review of Literature

2.1 Introduction

This chapter reviews various research studies on talent management literature that explore topics such as talent management strategies and challenges in various studies, its impact on work-life balance, performance management, retention management and culture, etc. Various studies that are reviewed are categorized into different types depending upon the focus of these studies. The literature review has been based on a variety of studies ranging from phenomenal studies to articles focused on the aspect of Talent management and related attributes identified for the study i.e. Culture, Performance Management, Work-life Balance and Retention Management.

For the convenience of the study, the researcher made a review of literature on two bases, clubbing of two objectives each and studied. The following are bases which have been studied:
Section 2.2 deals with studies on various Strategies and Challenges on Talent Management of IT and BPO sectors. They explore various aspects of Talent Engagement Process, Talent Retention Management Strategies and Performance Management System;

Section 2.3 contains reviews of studies on Impact of culture and work-life balance on Talent Management Studies. They explore various aspects of Mentoring, Attitude tests, and how Spirituality helps in nurturing talent; and

Section 2.4 contains Research Gaps and need for justification of Study.

2.2 Studies on Strategies and Challenges of Talent Management

The challenges faced by profit and non-profit organizations are enormous (Kirkland, 2007)\(^1\). One of the most critical challenges for any organization is finding, recruiting, and retaining talented individuals.

According to a Manpower Survey, data gathered from companies representing 33,000 employers from 23 countries, companies worldwide
are facing trouble in filling the positions. Forty percent of the surveyed employers reported problems in filling positions because of a lack of talent in their labor markets (Manpower Inc, 2006)\(^2\). The emphasis has been laid on initiatives that can be put in place to help organization to retain and nurture the talent (Karthikeyan, 2007)\(^3\). Despite the great sums of money companies allocate to talent management systems, many still struggle to fill key positions - limiting their potential for growth in the process.

In a 2005 survey of 40 companies around the world, virtually all human resource executives said that their pipeline of high-potential employees was insufficient to fill strategic management roles, according to (Ready & Conger, 2007)\(^4\)

In yet another survey, many employees don’t know the important facts about their company’s talent. Many companies mismanage talent development tasks. Through employee value proposition, management can attract and retain the talent (Cliffe, 1998)\(^5\). Globally, fewer and fewer managers and professionals are ready to fill these leadership roles, and companies worldwide find themselves competing for a smaller pool of talent.
Businesses must have the ability to identify the most talented individuals, provide them with the necessary training and experience, and retain valuable employees on a long term basis (McCauley & Wakefield, 2006). Managing talent cannot be completed within a quarter or a year, because it involves integrated planning and is not merely the responsibility of the Human Resources Department, but other factors are included in managing talent (Heinen & O’Neill, 2004).

Even though talent management is difficult and time consuming, it is very rewarding. Therefore, this study aims to investigate managing talents within IT and BPO companies, in order to present practical solutions in these companies that would be advantageous to all organizations and practitioners. In our knowledge–based economy, value is the product of knowledge and information. Companies cannot generate profits without the ideas, skills, talent of knowledge workers, and they have to bet on people and not on technologies, not on factories and certainly not on capital.
Talent = Capacity to learn + capacity to think + capacity to relate + capacity to act accordingly and the values of the organization (Roer Martin and Mihnea Moldoveanu, 2003)\textsuperscript{8}.

Nearly half of the executives interviewed expressed concern that the senior leadership of their organizations do not align talent management strategies with business strategies (Guthridge, Komm, & Lawson, 2006)\textsuperscript{9}.

Global business strategy needs alignment of people and talent management strategies. Initially, identify the senior business manager with talent specialists. Next steps were to expand the talent pool, beyond a senior business manager level, implement development programs for future leaders according to levels of experience and seniority in an organization, and ensure the company had a customized solution to retain its talent through the employee value proposition (Gakovic & Yardley, 2007)\textsuperscript{10}.
The strategies that can be used to determine the employee competency level of success include incorporating behavioral based questions that are designed to elicit examples from candidates about their previous work history and how they behaved in the previous job situations.

Another significant strategy of ensuring the best fit is through competency-based management which can be described as the organization understanding its needs and who best fits with the organizations and then aiming to deliver the right outcomes by determining the value behaviors (Hale, 1998). As a selection tool, this strategy helps with recruitment of employees who possess the requisite skills and behavior and to identify the long-term high potential employees.

(Everts, 1998) defined competency as an underlying characteristic of a manager which causally relates to his/her superior performance in the job. (Jacobs, 1989) feels that it is an observable
skill or ability to complete a managerial task successfully. (Hornby and Thomas, 1989)\textsuperscript{14} defined it as the ability to perform effectively the functions associated with management in a work situation.

The term ‘competency’ has been used to refer to the meaning expressed as behaviors that an individual needs to demonstrate, while the term ‘competence’ has been used to refer to the meaning expressed as standards of performance (Hoffmann, 1999)\textsuperscript{15}. Competency is grouped under four areas, which are (1) Technical or functional, (2) Managerial, (3) Human, and (4) Conceptual (The ability to visualize the invisible and think at abstract levels) (Katz and Kahn, 1986)\textsuperscript{16}.

A competency model describes the combination of knowledge, skills and characteristics needed to effectively perform a role in an organization and is used as human resource tool for selection, training and development, appraisal and succession planning (McLagan, 1989)\textsuperscript{17}.

Ashworth et al suggests that not only skills and knowledge but also the range of qualities of personal effectiveness are required to get a
job done (Ashworth and Saxton, Silver, Boam and Sparrow and Burgoyane, 1990).18

One of the issues facing organizations is an ability to foster a workforce that creates organizational capabilities. Many human resource development academicians and practitioners have suggested and used training and development as a means of accomplishing this critical task (Abbasi & Hollman, 2000).19 A study conducted by Hale listed training and development as one of the top five most effective retention strategies. Employees are more committed to employers who are more committed to employees’ long-term career development. A rationale behind this thinking is employees come to organizations with certain needs, desires, skills, and so forth and expect to find a work environment where they can utilize their abilities and satisfy many of their basic needs. Therefore, any failure to provide for these basic needs, the commitment level tends to diminish and instead it increases the likelihood of the employees choosing to leave the organization (Dessler, 1999).20

Coaching is also one aspect of career development that can motivate talent effectively. Organizational success depends on talented people for organisations (Blotch, 1995).21 Coaching has enormous
benefits for both individuals and organizations. The potential implication for an organization that successfully employs an effective coaching strategy includes increased employee retention and satisfaction, enhanced motivation, morale, commitment and respect, improved organizational performance, communication and team effectiveness, and leveraged learning and creativity at lower costs. For individuals, coaching can renew and retain valued employees.

According to (Whitworth, Kimsey-House, & Sandahl, Bowerman & Collins, Hargrove, Morris, Redshaw, Crane, 1998)\textsuperscript{22}, “as a result of coaching, high performer is less likely to leave an organization and leaders become more engaged and motivated”.

Nine out of ten managers think that people stay or go because of money, which is actually not the case. Money and benefits matter, but what the employees’ want the most is challenging and meaningful work, good bosses, and opportunities for learning and development. The major causes of attrition identified by some IT companies were again the desire for higher education, marriage/transfer of spouse, salary, or when expectation of going on-site abroad is not met (Harvard Management Update, 1999)\textsuperscript{23}
IT Industry is facing challenges relating to attrition, employee loyalty, confidentiality etc. The present day’s HR Managers are performing multiple functions than before (Srinivasa Rao Dasari, 2008)\textsuperscript{24} The current challenge for IT industry is to match its supply and demand position, and retaining the experienced persons in the organizations depend upon a number of factors in addition to “pay and perquisites”. (AS Murti, 2008)\textsuperscript{25} There is a strategic imperative for organizations to manage talent. Changing demographic patterns mean that more people are approaching retirement than entering the workforce. Younger generations have different needs and are re-negotiating the psychological contracts with their employer. They are quick to move if their organisation is not meeting their expectations. Retaining and developing key people in the organization will be a critical success factor in the next five years (Dr Eddie Blass, 2007)\textsuperscript{26} Sitel India rewards their star performers and creates a talent pool, that would help in upgrading employee skills and curbing attrition (Shailja Puranik, 2003)\textsuperscript{27}
The factors driving the popularity of talent management today are -
Scarcity of talent, Increasing complexity of the role of leadership and
Increased demands in technology (Mark Busine, 2006)\(^{28}\)

Outsourcing has become a recognized business strategy for
enhancing the productivity and profitability of large companies.
Business Process Outsourcing is the most common form of outsourcing.
It comprises transfer of operational ownership of some of the business
processes to an external provider who manages the outsourced business
processes according to the performance matrix prescribed by the parent
company (Grossman and Hellmann, 2005)\(^{29}\)

Survey conducted by Australian Institute of Management (AIM)
reveals that the issues impacting on management development and
affecting organizational commitment in the country in general are as
follows (AIM, 2002)\(^{30}\):

- Attracting and retaining talent;
- Developing leadership skills;
- Emphasizing on individual development needs and individual
effectiveness; and
Using performance management initiatives to contribute to business success.

AIM delivers a variety of company specific talent development programmes for its clients. These include: Establishing the talent pool – identifying who the talent is through assessment and profiling, analyzing strengths and development areas, establishing professional development plans, pathways, creating succession management processes and career paths, establishing competency frameworks and success profiles; and training and coaching programmes, for their employees. They have an internal process called the Management, Motivational and Mentoring plan where twice in a year. They review employee’s performance and provide opportunities for their development (Victoria and Tasmania, Serge Sedro, 2006)\(^{31}\)

Business Process Outsourcing (BPO) is the buzzword today in India. It no doubt deserves to be so, as the sector has shown a growth rate of 60% over the past three years. It has also provided employment to about 2 lakh youngsters. Future estimates too indicate an employment potential for one million people over the next five years in
the industry. Despite domestic debates whether “to outsource or not”, numerous companies of the developed world intend outsourcing of select business activities. “To paint call centre work as full of freedom is a misconception. BPOs are really inflexible organizations where every aspect of the worker’s job is monitored” (Rajanikant Sharma, 2005)^32

Most of the Top companies spend anywhere in the range of Rs 30000 to 35000 per month for each employee who wants to upgrade their personal or professional skills through online self-study mode. BPOs use spirituality as retention tool. Many HR executives working in the BPO space concede that their companies are working out modes to include spirituality sessions as part of self-development programmes for employees. The company does facilitate employees to go for relaxation sessions through yoga, Art of Living or through physical training in Gyms in each of its centers (Roy T. Kuruvilla, 2004)^33

In BPO industry staff satisfaction is always in proportion with money received and it shows quickly compared to other industries. This is one of the major reasons why attrition levels high in these BPO’s. Key HR
strategies for this is developing a strong middle management layer and managing the morale of the work force (Simon Roncorni, 2003)\textsuperscript{34}

India is likely witness a shortfall of half-a-million people in the business process outsourcing industry. This will force IT companies in India to ensure that recruitment processes are aligned with retention strategies. Accordingly, some companies have been making a paradigm shift in their hiring process by focusing on competency frameworks and other relevant tools to retain talent. In some cases, companies recruit employees belonging to an older age bracket, for grant of a higher degree of employee stability and commitment (McKinsey survey, 2005)\textsuperscript{35}

IT companies are firing on the twin engines of Hiring and Expanding. But this time around, there is a difference. Fancy pay cheques may go out and on their part employees are making sure of the finer points of the job. It is all about getting a sure measure of things (Rukmini Priyadarshani, 2004)\textsuperscript{36}

India cannot supply enough talent for further IT growth, if industry and academia fail to address training issues (Vani Doraisamy, 2006)\textsuperscript{37} Top-tier companies do not face much of a problem as they
are after the top percentage of the talent pool. While there was no deterioration in the quality of education in leading universities and colleges, only the newly sprung self-financed engineering colleges contributed to non-employability or under-employability (Bhaskar Das) \(^{38}\) there is no magic formula to manage talent. The trick is to locate it and encourage it. A rightly managed talent turns out to be a gold mine. Managements need to realize its worth, extract it, polish it and utilize it.

In all business climates, taking measures to retain valued employees saves money, preserves margins leading to better business opportunities. Margaret Kirby, a recruiter, has seen the disengaged workers in Australia in recruitment chase. She says both rarity and expectations met on either side (Ankush Mendiratta, 2005)\(^{39}\). For every 20 Engineers who apply at entry level position, five are found employable and finally one gets selected. In some areas like Research, they take MBAs from second / third rung institutes. (Vijayalakshmi Rao, )\(^{40}\). Though technically Engineers are average, they are not good when it comes to communication skills and presentation. This is imperative in an IT or ITES environment where an employee has to play a team leader’s
role or interact with clients very early in their career. Low availability of
talent could hinder India’s progress in the outsourcing sector. In a 2005
Survey of McKinsey Quarterly, it is revealed that Indian executives listed
low availability of talent as the single largest constraint for future growth
of their companies in India.

The root-cause for the shortage of skilled manpower is poor quality
of higher education. In India, Universities produce 2.5 million
Engineering Graduates every year, out of which 10 to 25% are
employable. IITs and IIMs are exceptions. There world-class institutes
enroll less than 1% of the total student population. The Survey found
that the level of significance accorded to recruitment and retention of
able staff was consistent across every region surveyed, irrespective of the
size of the organization. Firms must adopt their talent management
strategies quickly, so that, they can continue to attract the best people,
nurture them, rather than lose them to competitors (Global Survey of
2005, 2005).\textsuperscript{41}

The talent crunch could have a spin-off on India’s emerging
position. At present, India alone accounts for 28% of IT-BPO talent
among 28 low-cost countries. But, it would need a 2.3 million–strong workforce by 2010 to maintain the current market share. NASSCOM projections indicate a potential shortfall of nearly 0.5 million qualified employees, nearly 70% in the BPO industry alone (NASSCOM Report 2005).42

The successful management of talent today gives organizations a vital edge. This indeed is a challenge to HR. In a way, effective talent management is an important feather in the cap of any HR manager who wants to make it seriously at the Board level (Paton, Nic).43

Talent–dependent companies should be able to nurture enough high-flying managers internally to meet ambitious growth targets (Andrew Doman, Mourice A Glucksman, Nhuoc-Lan, Tu and Kim Warren, 2000).44 In today’s hyper-competitive environment, although the issue of attrition is considered as a major crisis in one organization, it could be perceived as “talent acquisition” in the other organization where the employee joins. Therefore, taking the positive impacts of job-hopping into consideration, any HR intervention from an organizational point of view should be focused on decreasing the negative effects of attrition (Smart, 1999).45 It is strategically important for organizations to identify
the roots of attrition. Hence, the concept of attrition in today is looked upon as an opportunity in the competitive domain (TV Rao, 2006).[46]

The departure of skilled staff is a loss of knowledge to any industry in general. However, its impact is more on industries like the IT and ITES sector. The annual attrition rate in these sectors is considered to be high and could range between 10 and 20 percent. This may be due to the relative stress of the consulting workplace, or other reasons (Philips, 1990)[47].

Employee Retention is another biggest challenge and involves how to create and maintain daily working environments in which the talented ones can productively pursue the joy of work and financial benefits from their individual or collective contributions. Organizations should focus on issues such as: identifying their star performance, compensating them for improving their individual as well as organizational productivity by way of rewards and recognition. This can better be done by conducting meaningful performance appraisal, designing jobs to nurture and motivate talent across the organizational echelon. Treating talents as “Internal customers”; Compensating talents as preferred suppliers;
Offering the right compensation, including proper reward and recognition; Conducting meaningful performance appraisal; Designing jobs to appeal to the talented people (Cappelli, 2000).48.

The talent management system can be an effective tool for creating a symbiotic relationship between talent and the organization to dramatically accelerate performance improvements. It is explained as to how to attract, retain, manage and identify talents in the Organization (Subir Chowdhury, 2004).49. Study of the corporate talent management market identifies 22 talent management processes that have the strongest correlation with business impact.

The Study finds that the highest impact processes include highly refined sourcing and recruiting, performance-based coaching, and identification of key competencies. They found in their research that many companies are not having talent management strategies (Josh Bersin, 2007).50.

The new generation executives skip their ways through jobs very quickly. For talent retention, management philosophies and techniques
cannot really withstand the pressures of the modern business arena. New generation executives are looking for challenging assignments with adequate compensation to get professional satisfaction. It was only during the beginning of nineties that the HRD practices came to be more formalized and a serious thought was given to the process of talent retention. (G Ramesh)\textsuperscript{51} justified the need for unions in the BPO industry, because of unfair practices because “no labor law applies to them”. He says that better working environment can act as a great employee retention tool. It is a proven fact that the productivity of employees depend on their work surroundings and the morale that they have (M.K Pandhe, 2005)\textsuperscript{52}.

Success in the modern economy requires the talent mind-set. The organizations that are most successful in their goals are the ones where the system is also equivalent to talent. These star organizations don’t just create - they execute, compete and co-ordinate the efforts of many different people (Malcolm Gladwell, 2002)\textsuperscript{53}.

Organizations must base their retention strategies on essential human needs. Money cannot buy the best employee. Therefore, to stop
turnover, employers have to meet the needs of their employees who are considered to be internal customers of the organization (David Lee, 2004)\textsuperscript{54}.

\section*{2.3 Studies on Impact of culture and work-life balance on Talent Management}

Organizational culture will have a substantial effect on whether talent management activities will succeed and contribute to improving results. Organizations will be more effective in their talent management if they encourage active leadership by managers and the coaching of their people. An organization has to establish the value of ongoing learning in its culture. This means developing the role of managers in enabling learning among their people. To stimulate innovation and creativity, the development of talent is essential, and managers must take the lead with the support of their HR colleagues in Learning and Development (Peter Senge, 2008)\textsuperscript{55}. New age HR managers must be able to find out different ways of retaining talent, assess effectiveness of training imparted, quickly find out gaps between the available knowledge and the requisite talent for roles. On the whole, modern HR managers
are required to be facilitators of organizational transformation (S. Sudarshan, 2005)\textsuperscript{56}.

An effective work-life balance strategy is not simply about complying with the law. It is finding out about employees’ needs and priorities and considering how they can be met in ways that are consistent with the needs of the business. Employers are increasingly concerned to protect their reputation and ‘employer brand’. Work-life balance policies are an important way for employers to identify their commitment to quality of life and social responsibility (Clutter Buck, David, 2003)\textsuperscript{57}. Quality of Work Life (QWL) may be defined as subjective well-being. It is the quality of relationship between employees and their total working environment. It seeks to create those conditions in the organization which promote individual learning and development. The feeling of a worker about his or her job tends to be stable over a period of time and might be a product of specific personality trait (Schneider and Dachler, 1998)\textsuperscript{58}. Extrovert people have more positive affect in their daily life than introvert people. Neurotic people have more negative daily affects (Costa and McCrae, 1980)\textsuperscript{59}. Agreeableness is positively related with performance because of negotiating with stress as opposed to power
assertion tactics, in the event of conflict or disagreement within a group (Graziano et al 1996).60

Individuals choose organizations that complement their personality and organizations choose individuals who have personalities that complement the organization. When this occurs, there is a fit which represents the degree of job satisfaction (Judge, et al, 2000).61 Neuroticism was not related to any occupational interests. Emotional stability is positively related with job proficiency across occupational groupings (Salgado 2002).62 Agreeableness is positively correlated with contextual performance, which involves engaging in behaviors that include good work relationships and interacting with subordinates (Gellatly and Irving, 2001).63 The Indian IT industry offers services in IT consulting, system integration, remote infrastructure management, network consulting, Knowledge Process Outsourcing and integration processing services.

The study explores non-monetary compensation practices followed by the industry and the preference shown by the technologists towards them. The study attempts to create a factor of influence that can be worked on the non-monetary compensation practices. It has suggested some
retention strategies to the IT and ITES sector while working on their non-monetary compensation practices (SC Poornima, 2008). In a study conducted by (ONS) office of National Statistics on managers in UK regarding work life balance of employees was damaging their health and relationship with children and spouse. It was found by (ONS) that most of the couples are not spending time together. An average British couple spends just 15 minutes a day with each other. (Wheatley, 2004).

Employers, who act as performance extraction units, without offering job security to its employees, will find it very difficult to get loyalists and cannot command commitment. According to a report 20% of the British workers have been affected by stress and annually around 5,00,000 people in Britain say that “stress levels are making them ill.” (HSE 2002).

Employees who are enthusiastic and engaged can be motivated, but it is not an easy task to motivate the disengaged employee. Thus, managing a problem employee in an organization is a major challenging task for today’s Manager. Such problem employees can be managed only by helping them to motivate themselves. Every human being has motivational energy. Manager needs to prevent transformation from a person’s positive energy into negative attitudes (Nigel Nicholson, 2003).
Based on a large number of independent studies, it is suggested that EI could be a better predictor of performance than personality is. Though controversial, there are many findings that show a small influence of IQ against a great impact of EQ on job performance. Hunter and Hunter claimed that IQ accounts for about 25 percent of job performance. Stenberg submitted that 10 percent contribution might be more realistic (Van Rooy, DL & Viswesvaran, C, 2004)\textsuperscript{68}.

A short-term strategy in the form of strategizing recruitment for selection of appropriate profiles of employees and an integrated performance management system for rewards and recognition, feedback, counseling and coaching can provide tangible results in an organization. Long-term strategies towards organizational culture building, leadership development and inculcation of the spirit of mentorship for people development will provide resilience to the organization for withstanding the menace of employee attrition (Pradeep Kumar Ekka, 2005)\textsuperscript{69}.

The current stage of the BPO industry is in its growth cycle. Attrition is likely to be a fact of life in the short term. The IT Services’ industry had gone through a similar phase during the end 1990s, but
the attrition levels dropped as the industry matured. In such an environment, as BPO companies try to address the challenges posed by attrition, a key imperative for them will be the need to also minimize the costs they incur because of attrition (Nitin Aggarwal, 2005)\textsuperscript{70}.

The BPO industry has some of the best HR practices across industries in the form of talent sourcing, talent development, performance management, retention and employee engagement and leadership. Excellence of any BPO has to begin with the hiring process. A good hiring process goes beyond assessing the candidate’s academic background. In all business climates, taking measures to retain valued employees saves money, preserves margins and so leads to better business opportunities. On an average, attrition costs companies 24 months’ salary for each person who leaves. With an average salary of about Rs 12 lakhs over 150 employees, eight percent of attrition translates into a cost saving of Rs 288 lakhs approximately (Koustuv Mitra, 2005)\textsuperscript{71}.

The bottom line is that organizations with BPO units in India will need to pay closer attention to select the best candidates and then retain them over time. There are several common drivers of employee
engagement and that engagement is highly correlated with retention (Kyle Lundby, Kenexa, Siddartha Parthasarathy, 2009). 

The dynamic nature of global business is putting an ever-increasing pressure on companies to be constantly on the lookout for exceptional talent in a market where demand far exceeds supply. Given the current focus on the linkage between talent and an organization’s business challenges and strategies, effective strategy execution requires sufficient numbers of the right people with the right skills and knowledge in the right roles. This has made talent management one of the most pressing issues facing senior business executives (Rhea Dutta Gupta). In determining the purpose of performance management, an organization is making a key decision about a strategic business process, i.e. not a decision to be taken lightly (Christian M. Ellis). Organizations that have adopted spiritual principles have survived tough times and have built a long-lasting reputation that is the source of their sustained competitive advantage. Clearly, there is a need for more organizations to engage not just the minds, but also the hearts and emotions of their different stakeholders (Shilpa Surana, 2005).
Spirituality is inculcated in several organizations in the workplace. They are introducing spiritual practices. These include multi-faith prayers, providing employee training to encourage spiritual development and providing leadership in living spiritual value. Spiritual principles are taking deeper roots in corporate India (Srinivas) 76.

There are three perspectives of spirituality appearing in the literature. First is the intrinsic-origin view which argues that spirituality is a concept of principle that originates from the inside of an individual. Second, those are specific to a particular religion. Third, the existentialist view of spirituality is perhaps the most connected to concepts such as the search for meaning in what we are doing at the workplace (Ashmos and Duchon, Neck and Milliman) 77.

Spirituality consists of two dimensions - vertical and horizontal. The vertical dimension is experienced as a conscious sense of profound connection to the universe/god/spirit. The horizontal component is a desire to be of service to other human beings (Elkins) 78. Offer a compelling case that companies fostering a spiritual environment tend to have employees who are more creative, loyal, productive and adaptive to
change, than do companies that stifle spirituality (Mittroff and Dendkton)\textsuperscript{79}. In some cases more spirited companies out-performed the others by 400-500 percent in terms of net earnings, return-on-investment and shareholder value (Thompson)\textsuperscript{80}.

Transcendental meditation is one such process that has gained universal acceptance among Indian corporate. It controls stress in creating a wholesome personality enjoying wide recognition. An organization must foster a culture that facilitates realization of the employees’ craving for belongingness, self-actualization, esteem and meaningfulness (Maharishi Mahesh Yogi)\textsuperscript{81} Staffing reviews and the use of objective performance metrics are by no means the easiest ways to evaluate employees. But, they are by far the most effective ways to establish a Personality is useful for predicting other work related criteria, like job satisfaction (Goodstein and Lanyon)\textsuperscript{82}.

The author explored the relationship between performance and personality and explained that personality is the predictor of work performance (Huerz and Donovan)\textsuperscript{83}. Extroversion and emotional stability are positively correlated with job satisfaction and organizational
commitment, and negatively correlated with job change and burnout. Extroversion and emotional stability are more important for understanding how one feels about work, but conscientiousness is the best predictor of how well one does at work (Bozionelos) \(^{84}\).

Nurturing and retaining knowledge is key to the success of any global sourcing venture. Nurturing human capital is not an end in itself, but a route creating better value for all stakeholders – customers, shareholders, vendors and the employees. The values and strategies adopted by Genpact have successfully balanced the needs of all stakeholders for mutual and sustaining benefits (Piyush Mehta, 2005)\(^ {85}\).

Talent management is impractical without segmentation. There is relatively little attention to segmentation in the academic or practitioner literature. The most common approach is to distinguish between levels of performance and to emphasize increasing the number of “A-players” while reducing the number of “C-players” like, the focus on high versus low performers (Michaels, Hanfield-Jones, and Axelrod)\(^ {86}\).
Thus, from the review of literature following gaps are identified and objectives are framed. And the study is confined to only talent identification and acquisition, employee engagement by nurturing the talent.

2.4 Research Gaps based on Review of Literature and Justification of the Proposed Study

In this technological era, there was a dotcom bubble, which made the most talented to shift from traditional to Information Technology. But, today they are coming back to their old economy companies. This recession created a big gap between the supply and demand of talent resulting in over-supply of technical people in comparison with demand, and under-supply of multi-talented work force over demand. This situation made organizations to move towards poaching.

To overcome this problem, companies have to follow the best retention strategies. Another development that took place in recent years was that of contract job opportunities, that is outsourcing. Here the recruits may have the talent, but commitment will be less because of lack of sense of belongingness. Good organizations outsource only the secondary activities. They retain the talent for primary activities
committed to their organizations by adopting best rewarding strategies. The market can take care of this gap. Unless the markets show upward trend, we have to face the gap between these two categories.

The potential of talent management should not be ignored. A talent management strategy will improve organizational performance through better identifying, sourcing, developing, rewarding, motivating and retaining the talent that keeps the firms ahead of competitors.

Most of the studies mentioned in the review of related literature have been done with a very limited purpose of probing into some of the facets of Performance Management System, causes for attrition and Retention Strategies. Talent management was not viewed as core competence and hence Organization Culture was lopsided. Work-life balance of the employee is not given due importance. The literature shows greater emphasis on the Top Level Managers and their Retention Strategies.

Long neglect has left the field of new businesses with few well framed hypotheses that Researchers can confirm or modify. Little effort
has been devoted to systematic research about starting and growing new businesses. Researchers have focused on the evolution of large and well-established organizations for several reasons.

The following have been observed as the research gaps based on the review of literature:

- What are the financial and non-financial parameters to be considered in measuring Talent of the employee?
- Neglect of the Organization Culture; Work-life balance of the employee is not given due importance,
- The literature shows greater emphasis is laid on the top level managers and their retention strategies. But, not much importance is given to the study of problems of non-Executive Level Employees,
- There has been a larger degree of research about talent management in the western context. Not much work has been done in Indian context, and

These issues constitute considerable research gaps and there is a need for further research in this area. To answer the above and a host of
other related issues in talent management, the proposed research study is taken up.