Talent Management

for the Workforce and Workplace of the Future

Edited by:

Dr. Hema Bajaj, Dr. Manjari Srivastava

School of Business Management
SVKM's Narsee Monjee Institute of Management Studies
(NMIMS) Deemed-to-be University

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Preface

Develop talent for tomorrow, rather than just hire for yesterday-
Pearl Zhu

What makes an organization thrive? There could be several factors that may contribute to the organization's success. The one that comes first to our mind is its PEOPLE. People are the heart of any organization. People tend to prefer to work in those organizations where they are encouraged, trusted and held in high esteem. Organizations prioritizing their people over other elements thrive. With these positive thoughts we present this book to guide organizations in cultivating and perpetuating excellence through proactive talent management.

This compendium of work has been woven together with the help of and input from many people. We take this opportunity to extend our deep appreciation to those individuals whose contributions have been pivotal to the fruition of this scholarly work. We start by profusely thanking Prof. Ramesh Bhat, Vice Chancellor of SVKM's NMIMS Deemed to be University, who conceived and envisioned this remarkable opportunity. Our sincere appreciation is owed to Dr. Mayank Joshipura, Associate Dean of Research at the School of Business Management, SVKM's NMIMS, Mumbai, for the unwavering support, many conversations and guidance provided throughout the course of this scholarly pursuit. A sincere expression of gratitude is directed towards Mr. Aayush Sharma and Ms. Shruti Ror, students at the School of Business Management, SVKM's NMIMS, Mumbai, for their meticulous assistance with refining and formatting in the editing phase.

Drawing on research and valuable contributions from experts, we believe that identifying, attracting, developing, and retaining individuals and teams with essential skills is critical for success and sustainable organizational excellence. Recognizing human capital as critical, this book explores how to build an engaged, skilled, and diverse workforce of the future. This book brings the diverse perspectives of talent management culminating into four predominant themes.

In the first theme, "The Foundations of Talent Management - Definition and Scope," authors lay the groundwork by defining the meaning and scope of talent management. Understanding the fundamental principles is crucial for any organization that wants to attract, engage and retain while harnessing the full potential of its workforce. Rooted in social capital theory, Chapter1 addresses the need of understanding social capital in a continually changing world. Chapter 2 investigates prevalent talent management practices in an Indian start-up. Chapter 3 focuses on the relationship between organizations' learning goals and performance.

The second theme, "Talent Management and its Linkage to Organizational Strategy", explores the relationship between talent management practices, the nature of the industry and the objectives of a company, emphasizing the integral role talent plays in achieving organizational success. While chapter 4, brings attention towards talent management and leadership development practices in Indian context, Chapter 5 raises the concerns on emerging skill gap and employability. It demands attention of policy makers to work towards alignment of industry demands and professional education. The issues and concerns of managing talent in the purview of organization strategy are further explored from SMEs perspective. The authors in Chapter 6 throws light on challenges faced by small and medium enterprises in recruiting and retaining and shares practices deployed to remain competitive.

The third theme, "Future of Work, Worker, and Talent Management," focuses on emerging industries, technological advancements, and a changing workforce. Anticipating these changes is important for organizations to remain agile and competitive. Here we would find some interesting thoughts on how to adapt and grow in the evolving realm of talent management as chapter 7 delves into the needs and demands of gig workers and organizations approach in managing them. Chapter 8 examines the voice of employees in Indian fintech sector. The significant themes included work-life balance, well-being support, performance feedback and organization communication.

The fourth theme, "Talent Management to Build Diversity, Inclusion, and Equity," highlights the importance of developing a diverse and inclusive

workforce. This theme explores how effective talent management practices contribute to nurturing a culture of equity and inclusion. Chapter 9 explores the relationship between workforce diversity and its impact on an organization's competitive advantage while Chapter 10 examines the talent management practices building diversity, equity and inclusion with the ultimate goal to promote diversity of thoughts. Chapter 11 highlights the various consequences of workplace bullying in the context of an organization and offers interventions required to manage the same. Lastly, Chapter 12 focuses on the inner working of teams and proposes a model exploring the intermediaries between diversity and team performance.

We as academicians and the editors of this book bring forth the contemporary collection of review and research-based discoveries relating to talent management. From our side we have tried our best to present a compendium of knowledge that requires readers' reflections, challenge assumptions and of course offer value to organization leaders, scholars and practicing managers in the field of managing human resources.

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Chapter 1

MANAGING TALENT: A SOCIOLOGICAL PERSPECTIVE THROUGH THE LENS OF SOCIAL CAPITAL

Aditi Dey Sarkar

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Abstract

The ever-changing nature of technology and the hybrid way of working accelerated by the Covid-19 pandemic led many organizations to re-evaluate many aspects of their work. The term "aggregate of actual or potential assets that are connected to being in possession of a robust network of relationships that are largely institutionalized of mutual familiarity or recognition" was first used by Bourdieu (1985) to describe social capital theory (SCT). In the context of the organization, social capital looks at the ties that exist between individuals, which in turn influences the network that enables individuals to create strong ties within an organization. The advent of Artificial Intelligence has enabled firms to have a wider reach across the globe, by providing opportunities of instantaneous and multi-way communication. Thus, it becomes imperative to look at the workplace interactions, team bonding, and other factors affecting the way in which social capital is generated, attributing to the creation of human capital. This serves a dual purpose, namely, understanding, the factors like employee satisfaction and productivity metrics, contributing to Team Effectiveness, which in turn leads to productivity in the organisation. The other aspect pertains to nurturing and

retaining talent in the organisation, which contributes to the business performance. The interlinkages between these two aspects is rooted in the strategy adopted by the organisation. The following chapter addresses the need of implementing an understanding of social capital in a continually changing world, to strengthen employee relationships; increase job satisfaction, retain talent towards building a resilient organization.

Keywords: social capital, team effectiveness, cohesion, employee growth, strategy

Managing Talent: A sociological perspective through the lens of Social Capital

Globalisation and the advent of Artificial Intelligence has transformed the way we communicate, connect and build connections, especially in the context of the workplace. Organisations have a clear focus on increasing the performance of its employees who are a part of various teams, and factors like context, composition, processes and state are interlinked to the overall performance. It is in this context that social capital becomes an important aspect in order to understand its significance in the context of the organisation. Social capital is described as a social framework [that] promotes particular behaviors of participants within the structure. Coleman (1988), who is credited with introducing the concept to the sociological literature further states that social capital is based on the relationships that exist between and among actors, in contrast to other types of capital. It is not rooted in the actual tools of production or the actors themselves (Coleman 2000). Conversely, Putnam separated social capital to two distinct categories: bonding social capital and bridging social capital. In the backdrop of social movements, bridging social capital is regarded as inclusive and outward-looking. Conversely, the bonding form of social capital is seen as exclusive and inward-looking, supporting homogenous groups and exclusive identities. Thus, bonding social capital is crucial in the perspective of networks and organizations because it clarifies how these networks wield great influence and how it can support the development of stronger networks for those who work in these organisations.

Bourdieu (1985) described social capital theory (SCT) as the "aggregate of actual or potential assets that are connected to being in possession of a robust

network of relationships that are largely institutionalized through mutual familiarity or recognition". Social capital in the context of an organization examines the relationships that people have with one another, which in turn affects the network that people can use to form close relationships within an organization. Bourdieu (1986) states that social capital can be understood as the extent of a person's network of connections that can be mobilised by them. It is predicated on reciprocal understanding and acknowledgment, which permits it to be converted into symbolic capital. Putnam views social capital as the horizontal relationships between individuals that influence the productivity of the community. Social norms and civic engagement networks are incorporated into these associations. Putnam makes two assumptions in his argument. First off, there is a close relationship between norms and networks. Second, there are important economic ramifications for both networks and norms. Putnam (1993) argues that the ability to facilitate collaboration and coordination for the mutual gain of association members is a critical aspect of social capital. Coleman's description of social capital is different from Putnam's in that the former expands it to encompass relationships both vertical and horizontal as well as the actions of other entities like businesses. The first social capital theory was developed from the viewpoint of the individual. Social capital, which is perceived as having characteristics associated with social organization, including trust, norms, and networks which may enhance the functioning of a society by enabling co-ordinated actions is used by a sociologist Robert Putnam (1993) to characterize social capital in the context of development discourse. As previously mentioned, Pierre Bourdieu's work offers an alternative perspective on social capital that is rarely discussed in the context of development policy. Social structure is the main subject of analysis in Bourdieu's framework for researching social and cultural capital, which he refers to as symbolic capital. Because social capital is ingrained in the social framework and needs to be valued by a society that accepts its cultural logic, an individual is not the main unit of analysis in this situation (Rankin 2002).

In the context of law firms going global, the research conducted by Suseno and Pinnington (2017) looks at the interactions between knowledge resources and network ties exhibiting as social and human capital. The primary

conclusions point to three distinct sets of interactions between human and social capital: compensatory, supplementary, and complementary. They refer to the mutually reinforcing impact of strong and weak ties as well as the three categories of knowledge resources (market, client-specific, and technical). Furthermore, we contend that technical and market-specific resources can serve as a substitute for network ties in the context of a firm's internationalization.

Team Effectiveness Model:
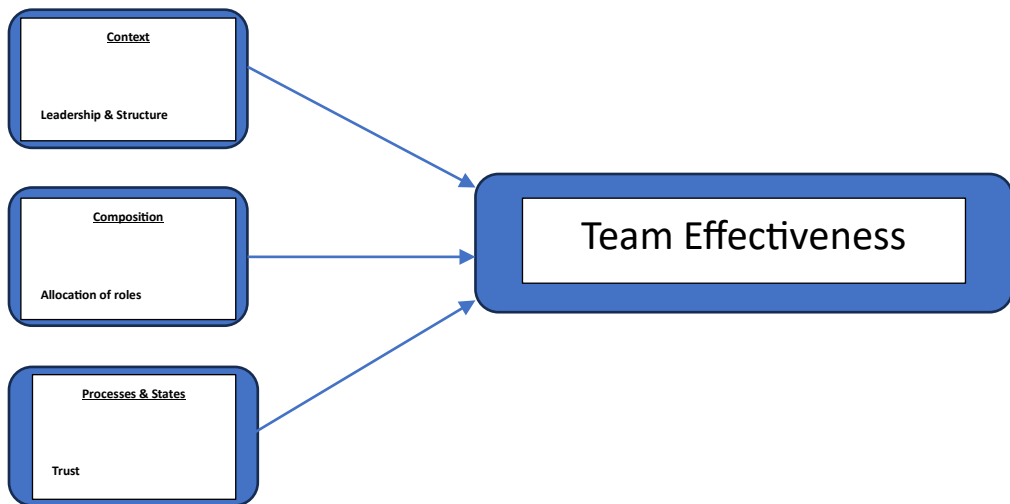
Image Source: The above diagram has been adapted from the Team Effectiveness Model presented in the book Organizational Behaviour (Robbins et al., 2022)

Teams are frequently consciously formed, though they can also develop naturally. There are two aspects of the Team Effectiveness Model (TEM) that must be taken into account. Teams vary in form and structure. Second, the model makes the assumption that working in a team is better than working alone. Objective productivity metrics, manager evaluations of the team's work, and total member satisfaction metrics are some of the elements that go into understanding the TEM (Robbins et al., 2022). As portrayed in the figure above, various aspects of team context, team composition and team processes and states; contribute towards team effectiveness.

Let us discuss each of these aspects in detail, starting with team context, which comprises of factors like leadership & structure, crisis & extreme contexts and culture/climate.

Leadership and Structure: It is essential that the workload be distributed amongst the team members by allocating various roles to them, keeping in mind their core competencies. In order to enable a smooth functioning of work processes, agreeing on the specific aspects of work, ensuring there is a synergy between individual skills and organisational processes, requires leadership and structure. These forms of structuring can happen at a higher level in terms of management or even at the level of team members. In the current context of agile teams, especially ones that are self-managed, handle these facets of leadership amongst themselves. Thus, the work for leaders in this context would be to manage teams, playing the role of facilitator, especially in the context of multi-team systems.

Crises & extreme contexts: Extreme situations and crises provide a crucial moment for deciphering a team's abilities. Members of a team who perform exceptionally well under pressure can demonstrate their potential in these situations. They may also end up causing the team's cohesiveness to break, which could be disastrous. The effectiveness of a team in times of crisis is impacted by a number of factors. This is where leaders come in very handy. During disasters, leaders tend to be most influential when they encourage team members to engage in problem solving, show support for their teammates, start structure and planning, assign, coordinate, and assist team members in making sense of the situation. Another crucial factor is structure. It has been demonstrated that team scaffolds—evolving, underlying structures that define roles, shared duties, and boundaries in teams—help sustain coordination during times of crisis by fostering shared understanding, accountability, and an awareness of identity or belonging.

Culture/ Climate: To understand the team context in terms of the climate/culture of the team, it is important to discuss the foundational concept of trust. In teams, where the employees trust their leader, their ability to agree and commit to the goals of the leader and the leader's decisions

happen easily. Moreover, the teammates are also able to rely upon and trust each other which helps build cohesiveness and enables them to support each other.

Basis the above factors discussed with regards to the team's context, we can see that with the right kind of support provided by the leaders in stable structures created by the organisation, employees are able to build stronger ties amongst themselves, share their vulnerabilities, enhance trust, which is one of the core factors of social capital. The aspect of culture or the climate at one's workplace is dependent on the factors of bonding social capital as espoused by Putnam. Moreover, in times of crises, the employees are able to respond to the organisation's expectation, due to consistent support provided by the organisation. We will now proceed to discuss the next aspect of Team composition, which has the sub-categories of allocation of roles, diversity and member preferences.

Allocation of roles: Deriving from the previous discussion of leadership and structure playing a core role in the team context, in terms of the team composition, the allocation of roles is an important facet of creating successful teams. Allocating team members to various roles and responsibilities requires a thorough knowledge of the skills and abilities of each member as that would help in identifying the right individuals for the right roles, enabling them to contribute effectively. Thus, the responsibility of the leader in identifying those traits plays a crucial role, and in cases where team members may not have all the requisite skills, providing them with an opportunity to upskill themselves, or providing them with an opportunity to share their perspectives on the roles allocated to them, will create an open atmosphere of discussion.

Diversity: Team performance is positively correlated with diversity in education & expertise; however, these effects are situational and limited. When there is already a lack of trust among members, diversity may also be detrimental (Robbins 2022). Competent leadership can enhance the effectiveness of diverse teams. Organisational demography looks at various factors like age, sex, race, length of service, educational level; and basis an understanding of these factors, is able to predict turnover in an organisation.

Studies conducted in this area suggest that a group of people with dissimilar experiences will find it difficult to communicate with each other and there are chances of conflicts arising amongst them, which in turn leads to low team performance. Though studies conducted with a focus on cultural diversity suggests that tasks that require a variety of thoughts and viewpoints, benefit from the presence of heterogeneous teams, wherein the members are able to work together towards problem-solving activities.

Member Preferences: Not every worker enjoys working in a team. When given the choice, many workers will opt not to participate in the team. The morale of the team and the satisfaction of individual members are directly threatened when individuals who would rather work alone are forced to collaborate (Shaw et al., 2000). This implies that managers should take into account personal preferences in addition to aptitudes, personalities, and skills when choosing team members. People who like working in groups are more likely to be found on high-performing teams.

In the above discussion of Team Composition, namely the three factors of diversity, member preferences and the allocation of roles, significantly influence Team effectiveness. These factors are dependent on people's communication and connection with each other, and the factor of trust is an underlying thread. The role of social capital in this case would be to build connections between people, build upon the known connections, and further the aspect of networking between members belonging to heterogenous groups will enable them to find commonalities and build connections, eventually leading to the development of strong ties between the employees. Let us now explore the factors of trust, team efficacy and team cohesion that influence the Processes and States with a team.

Trust: Mutually positive expectations and a positive state of mind are prerequisites for trust in a team. When you trust someone on your team, you have faith in their dependability and sincerity as well as genuine concern for their well-being (and vice versa). It has been demonstrated that team trust significantly affects team performance, particularly in remote teams. As team members collaborate, share, and keep an eye on each other's performance,

trust within the group grows over time. This has been demonstrated, especially in the time of the Covid-19 pandemic, wherein team members relied upon each other, supported each other towards meeting organisational goals, and created solidarity amongst themselves.

Team Efficacy: Teams that work well have self-confidence and believe they are capable of succeeding. This is known as team efficacy. Successful teams increase their expectations for future performance, which spurs them to put in more effort. In addition, because members can more effectively seek out knowledgeable input from their teammates, teams that have a common awareness of each member's abilities may bolster the relationship between each member's self-efficacy and individual creativity. Management can play a significant role in increasing the team's efficacy by helping the team achieve minor victories that boost confidence and offer training to enhance members' technical and social skills. The more capable a team is, the more probable it is that the group will grow confident.

Team Cohesion: When individuals are emotionally invested in one another and motivated to support the team as a result, this is referred to as a cohesive team. One helpful indicator of team performance is team cohesion. For instance, a recent large-scale study conducted in China found that expensive investments in training, rewards, promotions, and other areas pay off in increased team creativity when tasks are complex and team cohesion is high. Conversely, simple tasks and low cohesiveness teams are unlikely to react more creatively to rewards. The performance of a team can be strongly predicted by its cohesion, so when cohesion is compromised, performance may also suffer. One factor contributing to decreased cohesiveness is negative relationships. Teams can encourage high levels of interdependence amongst its members and excellent interpersonal interactions to lessen this effect. Additionally, teams with fair and shared leadership have higher levels of cohesiveness.

As demonstrated, the processes and state of the team, which comprises of factors like trust, cohesiveness and team efficacy; have a significant impact on team performance. Social capital, which builds upon the trust that exists

amongst the individuals, in this case between members of a team, leads to increase in cohesiveness. It also leads to members building upon what Putnam refers to as the bonding social capital. Thus, overall team performance stands to gain upon the increasing factor of social capital that individuals build through being a part of various networks and multi-functional teams. This leads to an essential question of, the manner in which organisations can enable the employees to build their social capital.

Steps that can be taken by the organisation to help employees build their social capital:

It is essential for organisations to recognise the aspect of value addition done by their employees, which is towards the company's adaptability, knowledge creation, timely deliverables of good quality, etc. This perspective would enable the employers to invest in the employee's employability, which would help the employees be future ready in the changing scenario of the VUCA world. Through this symbiotic relationship, value creation can be done at the individual and at the organisational level, leading to better outcomes for the employer and the employees. Hoffman et al. (2014) suggest that one way for organisations to do this would be to encourage their employees to extend their networks that extend beyond the scope of the organisation. This could be done by sponsoring employees to become members of professional organisations, forums on areas of interest, conferences, etc. This would help the employees to build connections, network with people in their field of interest. Through this, the employees will be able to share their knowledge and learnings back with their respective organisations, and serve as the ambassadors of their organisations, contributing to the employer branding, bringing in other like-minded people to the organisation through referrals. This is an example of how social capital accrued by an individual contributes to further tangible and intangible outcomes for the organisation.

Though there are many advantages towards building social capital, one of the challenges that can be foreseen in, the context of the organization is the possibility of the ingroup favouritism. The concept of ingroup favouritism, broadly understood as a phenomenon in which we see members of one's own group as being better than those not in the ingroup, and further clubbing

those in the outgroup as being similar. In such cases, it leads to creating distinction among the group members, but this can be addressed by leaders through their approach in creating an inclusive environment, which provides employees the opportunities to grow and build stronger ties amongst themselves.

Conclusion

As outlined earlier on in the chapter, bonding social capital is an important factor that leads to creating strong ties between individuals sharing exclusive identities, which can be seen as an advantage towards creating a positive work culture and promote an environment characterised by learning and care. Through the formation of groups and/or providing platforms to individuals to share their learnings, experiences, the organisation can positively affect the aspect of team cohesion. Team members build a bond that leads them to supporting one other, and give their best towards their work. Through providing opportunities of mentorship and a robust structure of learning and development opportunities curated to the individual's career growth, the organisation stands out as a good employer, one that invests in its employees, thus increasing the employability of the individuals working in that organisation. This in turn influences the objective productivity metrics and total member satisfaction metrics, which is a part of Team Effectiveness model.

This chapter suggests that social capital is linked to managing talent, as it plays a crucial role in understanding organizational forms, mediating the relationship between HRM and firm performance, and informing management training, incentives, and hiring policies. Especially in the way that team cohesiveness and team efficacy can be increased due to the bonds that exist between the team members, and enable them to build upon their social capital. Moreover, though organisations value diversity, but factors like inclusivity and belongingness that influence how productive or contributive is the aspect of diversity in a team, are enhanced by the social capital built upon its members. These factors in turn lead to employees feeling connected to the organisation, their team and are more responsive to strengthening organisational ties, which in turn affects their long-term association with the

organisation. The future scope of research in understanding the value of social capital would be to look at organisations that follow the structure of holocracy, as that would provide an insight into the functioning of self-managing organisations and the emerging multi-team system governing this structure.

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Author's Profile

Dr. Aditi Dey Sarkar has over five years' experience in corporate, development sector and academia. She obtained her PhD in Sociology from Indian Institute of Technology - Bombay, where she was a UGC Research Fellow. She is a Fulbright Doctoral Research Fellow (2018-19) and was a Visiting Researcher at the School of Social Policy and Practice, University of Pennsylvania. Dr. Dey Sarkar holds a Master's Degree in Social Work from Tata Institute of Social Sciences and a Bachelor's Degree from SNDT University in Electronics and Communication Engineering. Prior to pursuing her PhD, Ms. Dey Sarkar worked as a Young Professional under the aegis of NRLM in Kerala, also known as Kudumbashree. Strategic Human Resource Management, Leadership, Sociology of Gender and Work are her primary research interests. She has presented her work in various national and international conferences.

Chapter 2

TALENT MANAGEMENT PRACTICES AND THEIR LINKAGES WITH ORGANIZATIONAL STRATEGY IN A START-UP ORGANIZATION IN INDIA

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Abstract

The average unemployment rate in India has ranged from 9% to 12% in recent years. According to a CMIE report, the number of unemployed individuals in India reached approximately 53 million by 2021. In light of the restricted prospects within the organized sector, the government has implemented a range of incentives and measures in order to foster entrepreneurial activity and facilitate the establishment of new enterprises. The realm of technology-enabled business is one such space that has garnered the attention of aspiring entrepreneurs in the Indian environment. While the mainstream media frequently focuses on unicorns, it often neglects to cover the underlying talent management practices and their associated challenges that are present within these organizations. Given the far-reaching implications a robust talent management framework has for an organization, this book chapter aims to investigate the prevailing talent management practices within the context of a start-up organization in India.

Introduction

Indian economy, the rise of the IT industry, and technology-based start-ups

The Indian economy has experienced significant growth in the services sector in recent years (The Hindu, 2023). The emergence and expansion of the information technology (IT) industry and the proliferation of technology-based start-ups are one of the biggest contributors to service sector growth (Phadnis, 2023). Since the late 1990s, the emergence of organizations such as Infosys and Wipro have garnered significant media coverage among students (Basu and Sarkar, 2018) and the wider society at large. Consequently, the Indian IT sector has assumed a leading role in technical innovation, with technology-based start-ups occupying a prominent position in the Indian economy. In contemporary times, the Make in India program (PM India, 2023) led by Prime Minister Narendra Modi has generated considerable interest among emerging entrepreneurs and seasoned experts, not only within the manufacturing sector but also in related industries like information technology. The technological ecosystem played a significant role in facilitating India's overall economic growth, resulting in a notable advancement from the 10th to the 5th position in terms of the size of the GDP during the past decade (Nasscom, 2023). The emergence of new technology-based organizations has led to heightened competition for skilled individuals, as noted by Michaels et al. (2001). This has become a significant concern for both entrepreneurs and founders of start-ups, as well as for human resources leaders in large IT organizations. India produces approximately 150,000 engineers each year (Deccan Chronicle, 2018).

However, there is a significant concern regarding the employability of these engineers due to the prevailing issue of inadequate quality education among most of them. Established IT conglomerates or well-funded start-ups typically seek out individuals who have the necessary skills and qualifications for employment and are graduates of prestigious engineering institutions. This limited availability restricts the options for the numerous start-ups that have yet to establish a significant presence in the industry. Numerous start-ups

have captivating and distinctive solutions, either in terms of their products or services. Consequently, there exists a consistent demand for both fresh talent and seasoned professionals who may assume various positions within these organizations. Given the notable dearth of adequately skilled personnel, particularly at the junior and middle tiers, there exists a frenzied competition among these start-up enterprises to secure well-trained individuals. These start-ups find themselves in a catch-22 situation. On the one hand, these organizations are obligated to allocate time and resources towards cultivating a proficient staff that is well-versed in the distinctive services of the start-ups, with the aim of attracting new business and providing added value to their clients. Conversely, this particular endeavour renders the talent within these organizations susceptible, as the highly skilled and trained individuals from these start-ups are enticed away by industry giants and rival technology start-ups. This scenario presents a mutually beneficial outcome for individuals in the early stages of their professional careers and for organizations that hire them since the organizations are able to leverage a job-ready talent force, which thereby saves significant onboarding time and effort for these organizations. Individuals undergo specialized training to acquire distinct skill sets, which they subsequently use and refine through practical experience. As a result, they are afforded the prospect of securing employment with prominent industry leaders, thereby commanding a higher level of remuneration. Furthermore, larger organizations are able to provide more extensive employee benefits and accompanying perks compared to emerging start-ups, as the latter face financial constraints within a fast-paced business environment. Also, the competing start-ups, which are well-funded, are able to attract highly qualified individuals by offering salary packages that significantly exceed the industry's standard for the relevant skill pool. Organizations that operate in specialized domains, such as analytics, are more susceptible to encountering such challenges. A human resources leader from a start-up operating in the field of workforce analytics, with a workforce size of approximately 250 employees, expressed a similar viewpoint. According to him, "Our organization has had an annual employee attrition rate of approximately 27%, with no indication of a decline in this trend. The issue at hand is an ongoing and persistent challenge. On one hand, it is imperative to establish a robust pool of skilled individuals in order to attract and deliver

high-quality projects. Additionally, it is essential to provide ongoing training to our workforce to ensure their readiness for project assignments. However, on the other hand, pursuing these measures may inadvertently heighten the risk of losing these well-trained employees to larger organizations or competitors, who may offer them marginally higher remuneration. It seems improbable that this tendency will cease, and it is evident that the talent space will experience periods of instability in the foreseeable future as well." In light of such prevailing circumstances as expressed by the senior Human Resources leader, it is essential for organizations to establish a comprehensive talent management framework to effectively manage their personnel. By examining the talent management strategies of one such Indian start-up organization, this chapter aims to bring to light the typical talent management challenges and strategies that are commonly observed and practiced in the context of Indian start-up environments.

Talent management: what it is and why it is important for technology-based start-ups

According to peer-reviewed research, there isn't much consensus in the body of literature regarding the precise definition of talent management (Gallardo-Gallardo et al., 2015). Nevertheless, despite the ongoing debate surrounding the precise academic delineation of talent management, it is worth noting that the confusion related to talent management terminology has resulted in it being used by HR practitioners in organizations in a myriad number of ways (Makram et al., 2017). Consequently, based on the usage by practitioners as well as the related elements pertaining to the domain of talent management that have been researched in academia, it is possible to compile a comprehensive inventory of pertinent components that can make up a relevant talent management framework for an organization. The talent management architecture should consist of the following essential elements: selection and recruitment practices; performance management systems; competency creation procedures for different employee groups throughout the organization; compensation procedures and talent reviews; and assessment and development processes linked to employee career development. These endeavours aim to establish a connection with the overall organizational strategic intent by leveraging a robust talent management

framework and ultimately contribute to the organization by helping the organization gain a sustainable competitive advantage (Lewis & Heckman, 2006). Given that technology-based organizations are heavily dependent on skilled technical talent at various levels and also the fact that there is a constant high attrition amongst the talent pool in this domain, overall employee-related costs, which encompass not only hiring but training costs as well, form a substantial expense head for technology-based organizations (Sengupta and Sukumar, 2023). Therefore, each of the components of the talent management architecture mentioned herein holds great significance for technology-based organizations in establishing a strategic talent pool. This pool can prove highly advantageous in addressing the challenges associated with the raging competition amongst skilled technology talent.

Organization Overview

The subject of investigation for this particular chapter of the book pertains to an organization that demonstrates expertise in the field of cyber security, a niche domain within the IT industry. The organization was established by three individuals who had achieved notable success in their respective professions within reputable IT organizations. After accumulating significant industry expertise, they made the decision to pursue an entrepreneurial path. According to one of the co-founders, the concept of entrepreneurship had been occupying their thoughts for a considerable period. However, it was the "Make in India" initiative launched by Prime Minister Modi that really acted as a catalyst for their endeavours. While the Make in India initiative was mainly focused on manufacturing, what really appealed to the founders of this organization were the opportunities that it would open for allied industries such as IT. Following a series of extensive discussions and collaborative ideation sessions, the seasoned professionals within the field reached a collective decision to pursue cyber security as the focal domain for their entrepreneurial endeavour. There were multiple reasons for establishing the organization in this domain. Firstly, the increasing significance and pertinence of cyber security in the foreseeable future played a crucial role. Additionally, the scarcity of reputable vendors in this field was a significant factor. Moreover, the founding partners possessed relevant expertise and experience in the domain of cyber security, which would enable the

organization to carve out a specialized position and credibility. With prior experience in this field and relevant industry contacts, all the founders possessed a close and first-hand perspective on the potential within this domain. The organization's headquarters are located in Bangalore, which is commonly referred to as the Silicon Valley of India. Currently, the organization employs over 130 individuals and offers services to numerous well-established entities, including some industry frontrunners within their respective fields. The primary focus of the organization revolves around the provision of providing proficient cyber security personnel to established entities and offering consultancy services pertaining to cyber security to various organizations. Consulting engagements often involve partnering with clients to create a cyber-security culture within the client organizations by fostering knowledge, developing skills, and promoting the adoption of best practices by employees in the field of cyber security. These efforts collectively influence proactive employee behaviour in relation to cyber security. Conducting an analysis of the talent management strategies employed by this organization is highly pertinent due to its operation within a specialized sector and its significant reliance on engineers, particularly for the provision of entry-level trained personnel that this organization employs to service its clients. To date, the organization has successfully trained over 5000 cyber security specialists and has offered consulting solutions to more than 15 industry leaders within their respective fields. The organization has a flat hierarchical structure wherein each founder assumes leadership roles across multiple functional verticals. For instance, one founder oversees responsibilities in business development, distribution and training, while another founder is in charge of human resources and finance, among others. Given its strong emphasis on supplying skilled personnel to organizations for long-term consulting engagements, the organization has recruited a senior learning and development specialist who possesses a comprehensive understanding of curriculum design ideas and adult learning principles. The employees are mapped as per their expertise and assigned to report to each of the founders' respective verticals. Typically, the organization engages in the recruitment of junior engineers and thereafter administers a comprehensive training program to prepare them for the role of cyber security consultant for the different projects. The cyber security consultants are trained in 2-3 specific

domains pertaining to cyber security to enhance their ability to provide tailored advisory services to clients within those domains. Nevertheless, due to its trained resources in a niche domain, the organization frequently experienced the departure of highly skilled cyber security consultants to larger consulting firms and mid-tier IT organizations that had just expanded into this field. This has been a recurring phenomenon for the organization, and it has been grappling with a notable difficulty related to high double-digit attrition amongst its junior and mid-level employees for a considerable duration. This phenomenon not only disrupted business continuity for the organization but also contributed to the escalating expenses associated with training and rehiring costs within the organization. In the aforementioned instance, some eighteen months ago, the organization made the strategic decision to develop a comprehensive talent management framework to effectively manage and nurture its workforce.

Talent Management Framework for the Cyber Security Organization

One of the co-founders, in collaboration with the human resources leader of the organization, conducted a comprehensive diagnostic analysis to gain a precise understanding of the underlying factors contributing to the ongoing attrition issue. The primary factors identified were the comparatively generous remuneration packages offered by newer organizations and comprehensive benefits offered by larger corporations. Additionally, the potential for advancement and professional growth inside the larger organizations was an additional incentive on offer that was provided by large organizations. Upon conducting a more extensive analysis, they were able to acquire a deeper understanding that their organization's wage range for comparable employee profiles across various talent pools fell inside the 75th to 80th percentile. Typically, a percentile range of 75th to 80th would be seen as competitive for a well-established brand. However, in the case of a start-up, this range presented a considerable issue due to employees' expectations of higher compensation, given their association with a lesser-known brand. To address this substantial matter, the organization employed the following strategies: As a component of its efforts to enhance the talent management framework, the organization initially directed its attention towards the optimization of selection and recruitment practices. The organization adopted

a dual strategy by establishing partnerships with prestigious graduate colleges instead of engineering colleges in Bangalore, Hyderabad, Pune, and Calcutta and thereafter initiating live internship programs for computer science students who were in their last year of study. It served two purposes. The organization was not competing for the traditional engineering talent that most organizations were fighting for. Additionally, the live-project endeavour, entailed the socialization of these students through engagement in real-world tasks and enabled the organization to scan the talent environment over an extended period. It also enabled the students to get socialized within the organization at an early stage before they could be approached by other organizations. Furthermore, it can be observed that the level of salary expectation among graduates in the fields of science and computer science tends to be somewhat lower in comparison to those in the field of engineering. This would afford the organization an opportunity to develop a hierarchical career advancement structure for the science students and also provide the organization with a larger window to manage the "infant mortality" or attrition that was taking place at the early stages of an employee's career. In addition, the organization implemented a work rotation policy for its current employees. The organization provided employees with the opportunity to transition to a different industry domain from the available possibilities every six months. Although the organization was unable to offer top quartile percentile salaries that was considered competitive within the industry, this demonstrated the organization's commitment to the professional growth of its employees, as they were provided with opportunities to enhance their abilities and expand their knowledge base. Furthermore, the organization implemented a policy on continuing education for employees who had spent at least a year in the organization. Under this policy, employees who have completed one year of employment are eligible to pursue any training program of their choice. The organization reimbursed 50 percent of the monthly income of the employee as the equivalent cost of the training. It is crucial to highlight that the organization did not request a bond or reimbursement for this training. The sole expectation set by the organization was that the employee, upon completion of the training, would be responsible for training a minimum of three colleagues inside the organization. The organization then implemented a train-the-trainer program for all such

employees, enabling them to acquire the necessary knowledge and skills to effectively provide training to small groups of employees. This practice guaranteed that the organization consistently developed its capacity and established a culture of learning that was based on trust and fairness. All employees that met the criteria were acknowledged via the organization's internal collaboration platform, commonly referred to as the Gurukul. While this strategy was eked out for its junior employees, the organization implemented a plan for its middle-level staff as well. A complimentary mentorship and external coaching service were provided as developmental platforms for all such employees after detailed conversations with such employees. The idea was that such conversations would help the organization build a long-term leadership pipeline and would also provide a mechanism for middle-level employees to work on the gaps identified during such conversations so that they could work on their individual development areas as well. In addition, for its middle level employees the organization implemented a staggered incentive plan that was divided into phases. Under this plan, 25% of the incentive would be disbursed in the first year, followed by 50% in the second year, and finally 100% in the third year. Although it is still early days, the preliminary evidence gathered thus far suggests a favourable outcome for this organization.

Conclusion

Given the competitive and uncertain landscape in which technology start-ups operate in India, the 'war for talent' is likely to continue. The only way HR leaders and founders can survive and build a sustainable competitive advantage linked to business strategy is to come up with novel complementary talent management practices that are anchored on the principles of trust, fairness, transparency, and integrity. This organization's journey is very much a work in progress, and only a longitudinal study would be able to conclude whether the initial positive feedback will be sustainable in the long run, or not-the immediate results however seem to offer promise.

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Author's Profile

Subhashis Sinha is currently a Professor of Practice in HRBS, SBM, Mumbai. With close to two decades of corporate experience in multi-cultural environments, across services and manufacturing organizations both in MNCs and Indian organisations, Subhashis worked with a wide network of practitioners and academicians around the world. In his last role he was the CHRO for TBZ-The Original and before that he was the Head of HR for Asian Paints' Home Improvement business and had led the Leadership Development, Talent Management , DEI and Technology Enabled practices for Asian Paints and its International business units. He has published research in peer reviewed journals(ABDC-B), case studies in Emerald Emerging Markets Case Studies and has also presented in ANZAM. At present he is working as a Professor of Practice in the HR & Behavioural Sciences department at NMIMS, Mumbai.

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Chapter 3

THE LONG AND SHORT OF LEARNING GOALS: DO THEY TRANSLATE INTO PERFORMANCE?

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Abstract

This research paper investigates the correlation between a management student's proficiency in achieving The Association to Advance Collegiate Schools of Business (AACSB) learning goals and its impact on their performance during summer placements, particularly in terms of internship compensation. The study evaluates students based on their competence levels in six learning goals: functional knowledge, communication skills, global mind-set, decision-making, stakeholder sensitivity, and quest for excellence. Competence assessment is carried out through behavioral interviews, techniques, and students' grades. The results affirm the significance of learning goals' effectiveness in enhancing students' performance and increasing their chances of securing competitive stipends in summer placements.

Keywords: AACSB, learning goals, behavioural interviews, decision-making, global mind-set

Introduction

In today's dynamic and interconnected business environment, the expectations for future managers are constantly evolving. Given the complexities, innovation, and uncertainties prevalent in the corporate world, organizations place a strong emphasis on their highly skilled workforce as a crucial element for success. To this end, employers are increasingly prioritizing specific competencies in their managers, including a global perspective, effective communication, awareness of stakeholders, sound decision-making abilities, and a relentless pursuit of excellence in revenue generation within the competitive marketplace (Kehal, 2020; Woodside, 2020).

This highlights the importance of management students possessing these competencies to thrive in their future workplaces. There is a growing recognition of the need for management graduates to acquire professional competence and the necessary technical skills, facilitating a successful transition from business school to the professional realm (Alibeigi & Zarafshani, 2006). Presently, business schools are placing a strong emphasis on integrating practical problem-solving approaches into their curricula to equip students with the tools they need to excel in various business domains and perform effectively in real-world scenarios (Ma & Lee, 2012). However, the absence of relevant classroom training can result in the failure to apply their knowledge in competitive work environments.

Consequently, management schools are carefully aligning their classroom teachings, projects, and assignments to ensure that students develop the professional skills and competencies demanded by today's business world (Al Shraah, et. al. 2023). Possessing these skills enables students to reap the rewards of better compensation from potential employers. This paper aims to investigate the connection between the learning goals of Business College and the academic performance of MBA students, as reflected in their compensation during their Summer Internship Program (SIP). The central inquiry of this study is whether a student's higher competence in meeting these learning goals correlates with improved compensation, while a lack thereof may negatively affect their earning potential. The study was carried out in a top-tier business school in India.

Literature Review

Learning Goals

The primary challenge facing educational institutions in the 21st century is catering to a culturally diverse student body with varying abilities and motivations for learning. According to Elliott and Dweck (1988), learning goals are objectives where individuals aim to enhance their skills and master new tasks. It is crucial to acknowledge that the teaching and learning process encompasses social, emotional, and academic aspects (Zins et al., 2004). In a high school survey conducted by Nicholls and his colleagues in 1985, they investigated the alignment of learning goals with the purpose of school education and the general beliefs concerning academic success. Their findings indicated that students who pursued learning goals tended to perform well in school. The pedagogical strategies employed in the classroom play a significant role in connecting student learning with real-world experiences (Kundu, & Majumdar, 2020). Learning goals offer a clear direction for participants, faculty, and students in terms of the educational outcomes they are striving to achieve, ensuring that learning progresses in the intended direction.

ACSB (Association to Advance Collegiate Schools of Business), an accrediting body for higher education, is widely recognized as the benchmark for evaluating the quality of education provided by business schools in the academic community (Woodside, 2020). AACSB has established guidelines for crafting learning goals in business schools, offering assistance in setting priorities and structuring learning experiences to meet educational expectations (Kundu, & Majumdar, 2020). Each educational institution tailors its learning goals to align with specific course requirements. In the context of this study, which was conducted at a private business school, it is posited that students should possess a specific set of essential qualities to thrive in their professional careers within the corporate world (Gupta & Cooper, 2022). These critical attributes encompass a solid foundation of functional knowledge, a global perspective, advanced communication skills, a comprehensive understanding of stakeholder dynamics, effective decision-making capabilities, and an unwavering commitment to achieving excellence (Kehal, 2020). This learning environment encourages students to contextualize

their knowledge based on their personal experiences and values, thereby connecting their education with the real-world dynamics (Woodside, 2020).

Competence

For several decades, scholars have grappled with the concept of "competence" ever since its introduction by Boyatzis in 1982. Competence is a multifaceted and intricate construct, as acknowledged by various academic figures (Chickering & Reisser, 1993; Palomba & Banta, 2001; Lambrechts et al., 2013), and it has been scrutinized and defined from various perspectives (Boyatzis & Saatcioglu, 2008; Astin, 1984). Essentially, competence is characterized as the degree to which an individual possesses the technical and interpersonal skills required for a specific role (Butler & Cantrell, 1984). The journey of competence development encompasses students acquiring the intellectual aptitude suited for their new environment, managing their emotions by responsibly expressing and controlling their feelings, and progressing from self-sufficiency toward interdependence (Hadley & Satterfield, 2013).

A substantial body of research (Choo, 2007; Gupta & Cooper, 2022; Hey et al., 2007; Lombardi, 2007; Mims, 2003) underscores the growth of students' competencies resulting from the integration of problem-based learning in higher education. However, Nicholson and Arnold (1989) have argued that replicating real work-life scenarios can be a challenging endeavor and may not consistently yield effective results. Consequently, the development of competence should be structured in a way that enhances students' skills and enhances their employability (Hart et al., 1999).

Performance

College learning goals encompass a range of objectives, including the acquisition of functional knowledge, the cultivation of a global mindset, the improvement of communication skills, heightened stakeholder sensitivity, enhanced decision-making abilities, and the pursuit of excellence, all of which contribute to an overall positive self-concept. These learning goals offer several advantages to students, both by enhancing their performance throughout their college experience and by increasing their prospects for securing well-compensated internships (Woodside, 2020). College learning

goals play a crucial role in equipping students with the competencies necessary for excelling in their summer internship placements (Dennis, 1996; Healy & Morton, 1987; Kane, Healy, & Henson, 1992; Taylor, 1988). These goals instil confidence in students while also refining their academic skills. As a result, performance metrics such as grade point averages become pivotal in assisting students in securing desirable summer placements and obtaining more favorable compensation. It's worth noting that, for the purposes of this study, the terms "stipend" and "compensation" are used interchangeably.

Methodology

Data Collection

This study investigates the role of college learning goals and competence in predicting the performance of students during their summer placements. Data were gathered concerning the development of competence in relation to five college learning goals, namely functional knowledge, global mindset, improved communication skills, stakeholder sensitivity, decision-making, and the pursuit of excellence. The study involved a sample of eight students who were enrolled in a post-graduation program (PGP).

Data were collected from two primary sources. Firstly, information regarding college learning goals, as per AACSB guidelines, was obtained from the college's administration department. Additionally, the students' grades in their respective courses were acquired from the administration department for analysis. The second source of data was the college placement cell, which provided information regarding summer internship placements, as well as the compensation packages received by these eight students. This information also encompassed feedback from the students' respective internship companies, facilitating an analysis of the students' performance.

Details Regarding College's Learning Goal & Evaluation Criteria

Institute's Learning Goals	Evaluation Criteria
	Individual Students Ratings : Low (Not acceptable), Medium (Acceptable), High (Competent)
Functional Knowledge *	Student's grades of their first year core courses
Communication skills (listening , oral, written)	Communication course grade plus BEI analysis
Global Mindset	BEI analysis
Stakeholder Sensitivity	BEI analysis
Decision Making	BEI analysis
Quest For Excellence	BEI analysis

*Functional knowledge about the fundamentals of human resource management, labour laws, industrial relations, individual behaviour in organizations, group behaviour in organization, human resource planning, basic accounting and statistics for solving HR problems.

Participants

The participants consisted of eight PGP students of 2nd year who received their summer internship placements, four students from a higher pay range and four students from a lower pay range. The sample was categorized in two groups, students with a high paid stipend were considered as a member of Group A and students with a low paid stipend as a Group B member. The highest paid stipend to the students was in the bracket of 150,000 – 180,000 offered from the companies HUL, Mondelez International, Nestle, P&G and ITC. The lowest stipend paid was in the bracket of 45000-65000. All of these students specialize in Human Resource Management area. The average age was 24 years. There were 3 girls and 5 boys.

Methods

I have done a qualitative study using Behavioural Event Interview (BEI) technique for collecting data. The data collection was initially conducted for

identifying competence among students with one to one interviews with them. Individual students were interviewed for a maximum of 40 minutes, on average an interview lasted 25 minutes. The interviews were audio recorded with the consent of the student. The interviews were purposefully conducted on a fortnightly basis so as to make the comparative analysis continuously.

Analysis of Data

The study involved several indicators of student's performance. Students were given ratings of low (not acceptable), medium (acceptable), high (competent) based on the demonstration of their competence in BEI by sharing their experiences of first year college. The interview was coded into five key themes of global mindset, functional knowledge, communication skills, and quest for excellence, decision-making and stakeholder sensitivity.

The two learning goals of functional knowledge and communication skills was evaluated from the GPA scores of the students, where A plus and A = competent, B plus, B and = Medium and C plus, C, D plus and D = low competent. The competence in the rest four learning goals were evaluated on the BEI. Scores obtained. To understand the phenomena, the scores obtained by each student in each learning goal were added and a final score was calculated. This final score was matched individually against the SIP stipend (compensation) paid to the student. A pattern was examined in these two groups about the scores obtained by students having different level of competence in learning goals in relation to the compensation paid in a summer internship. It was found that Group A members representing highest paid stipend showed favourable responses in BEI and even the GPA of their first year college was high in comparison to the Group B members. None of the single student in Group B, relatively scored better grades in their functional knowledge and communication skills in comparison to Group A members.

Table 1: Summary of learning goals scores based on GPA and BEI

Students Ratings					
Participant	Learning Goals	Low (Not acceptable)	Medium (Acceptable)	High (Competent)	Total Score Obtained
Group A:2	Functional Knowledge			3	
	Communications Skills			3	
	Global Mindset		2		
	Stakeholder Sensitivity		2		
	Decision Making		2		
	Quest for Excellence			3	
Scores			6	9	15
Students Ratings					
Participant	Learning Goals	Low (Not acceptable)	Medium (Acceptable)	High (Competent)	Total Score Obtained
Group A: 1	Functional Knowledge			3	
	Communications Skills			3	
	Global Mindset		2		
	Stakeholder Sensitivity		2		
	Decision Making			3	
	Quest for			3	

	Excellence				
Total Score Obtained				4	12	16

Students Ratings					
Participant	Learning Goals	Low (Not acceptable)	Medium (Acceptable)	High (Competent)	Total Score Obtained
Group A:3	Functional Knowledge			3	
	Communications Skills			3	
	Global Mindset		2		
	Stakeholder Sensitivity	1			
	Decision Making		2		
	Quest for Excellence			3	
Scores		1	4	9	14

Students Ratings					
Participant	Learning Goals	Low (Not acceptable)	Medium (Acceptable)	High (Competent)	Total Score Obtained
Group A:4 1	Functional Knowledge			3	
	Communications Skills			3	
	Global Mindset		2		

	Stakeholder Sensitivity		2		
	Decision Making		2		
	Quest for Excellence			3	
Scores			6	9	15

Students Ratings					
Participant	Learning Goals	Low (Not acceptable)	Medium (Acceptable)	High (Competent)	Total Score Obtained
Group B:1	Functional Knowledge	1			
	Communications Skills		2		
	Global Mindset		2		
	Stakeholder Sensitivity	1			
	Decision Making	1			
	Quest for Excellence	1			
Scores		4	4		8

Students Ratings					
Participant	Learning Goals	Low (Not acceptable)	Medium (Acceptable)	High (Competent)	Total Score Obtained
Group B: 2	Functional Knowledge	1			

	Communications Skills		2		
	Global Mindset	1			
	Stakeholder Sensitivity	1			
	Decision Making		2		
	Quest for Excellence		2		
Scores			3	6		9

Students Ratings					
Participant	Learning Goals	Low (Not acceptable)	Medium (Acceptable)	High (Competent)	Total Score Obtained
Group B:3	Functional Knowledge	1			
	Communications Skills		2		
	Global Mindset		2		
	Stakeholder Sensitivity	1			
	Decision Making	1			
	Quest for Excellence		2		
Scores		3	6		9

Students Ratings					
Participant	Learning Goals	Low (Not acceptable)	Medium (Acceptable)	High (Competent)	Total Score Obtained
Group B:4	Functional Knowledge	1			
	Communications Skills		2		
	Global Mindset	1			
	Stakeholder Sensitivity	1			
	Decision Making	1			
	Quest for Excellence	1			
Scores		5	2		7

Table 2: Summary of detailed data analysis

Key Themes	Transcribed interview narratives
Demonstrating Competence	
Global Mindset	" ….for solving this (case study challenge), I googled many times, that what is happening in companies around the world……"(participant 2, Group B) "….HR person has to know more business than the business people, this what I concluded. Earlier I was not convinced about that. They have to know marketing, finance, what can go wrong PMA, you can track the performance. Even when the pizza guy comes…I use to think that how his appraisal is done. If he is late how will it impacts his

	appraisal. So everywhere you go you correlate HR with other stream, so a holistic learning course, I felt"…(participant 1, Group A) *"…is the organization developing the skills which are needed by the market…say there is a new project , new type of skills required by employees…that's why the way organizations grow…"(participant 1, Group B)*
Stakeholder Sensitivity	*"… PMA (performance management administration) is one aspect of HR that really helps the people of the organization... …"(participant 1, Group B)*
Decision Making	*"….suppose, I have a conflicting view with the other in my group. In that situation I will explain my point and he explains his point…. So whatever is correct according to the situation we decide with that view…and we incorporate that view…"(participant 1, Group A)* *"…. Some people speaks to seniors beforehand for solving a case. I don't do that, I generally feel that taking feedback from senior should not be the starting point of solving a case... "(participant 1, Group A)* *"…if the whole college is taking part in a case competition…I don't take part in that, as efforts required are more than the result expected …"(participant 1, Group B)* *"…I planned to be the CR of my class. There were two sides of it, one set of people who believed on my capabilities and other set of people who asked me to not to take part, as my image was not of a studious kind of a student….but still I went ahead…I took decision to elect for CR position….."(participant 1, Group B)* *"….We didn't know the number of employees…how to go about the case. Than we assumed many things…half of which I was not sure of….."(participant 2, Group B)* *"….I had a suggestion (for a case), there were other two members who*

	also had a suggestion and our ideas were not matching…so eventually like I had to let go…you have to do it in a group. You cannot have your opinion always. ..” (participant 2, Group B)
Quest for Excellence	*“….participating in MAXI was a different experience altogether ...I thought I should go for it…it was a nice experience in the sense that what we would have got from the academic projects or case competitions and all, so I got to know market research and all, not that only but learned sponsorship approach individually…I learned a lot of jugaad in terms of how to solve a research problem...……”(participant 1, Group A)* *“…First phase of project we copied from the senior…but when the second phase of the same project was there…we did it from the scratch in order to understand the job evaluation stage, pay and how it is decided how it is decided, so many multiple considerations also, pay, function market, strategy, the link of the pay to your strategy. Profit targeting one or revenue targeting one. This project helped me a lot…” (participant 1, Group A)* *“…..We planned to achieve 100%, but achieved 70-85% for what we planned. Reason being my closure of the project was very close to our end term exam, so balancing and studying for 7 subjects in term one and managing project simultaneously was difficult…I felt towards the end of the project , not much efforts were made, as what I could have done…” (participant 1, Group B)* *“…being an engineer, absolutely inclined towards maths, analytical calculations…but when it comes to OB, it was difficult to grasp everything with certain words and theories and understanding OB was very difficult due to the lack of demonstration of real world application…..I was not conceptually clear due to the lack practical applicably of the concept..” (participant 1, Group B)*

	"…..I fell that my skills and person who taught us that subject did match their and I excelled…...."(participant 1, Group B) *....It was a abstract case (Accenture case)…we were just two people, we don't how to present the data, how to go about it, we didn't put much effort. So that's why we couldn't qualify for the next round…"(participant 2, Group B)*

Discussion and Recommendation

Traditional beliefs regarding compensation have historically emphasized the significance of the role over the individual performing it. However, this perspective is rapidly evolving. Modern organizations have adopted a different approach, placing greater importance on the individual in the role rather than the role itself. It is widely recognized that when a person in a specific role is treated well, they tend to exceed expectations in their performance. Business schools now incorporate practical human resource management skills alongside essential business competencies (Gupta & Cooper, 2022). This approach broadens students' horizons, providing them with a better understanding of the global business landscape. It also empowers them to enhance their existing skills, knowledge, and attitudes in analyzing various aspects of the contemporary world and their impact on organizational performance (Kehal, 2020).

Existing literature highlights that learning goals have a positive impact on students' overall performance, effectively bridging academic proficiency with practical job skills, aligning with corporate requirements (Healy & Mourton, 1987; Kane et al., 1992; Taylor, 1988). The current study reinforces the idea that a student's college GPA serves as an indicator of their success in securing summer placements.

The college learning goals encompass functional knowledge, a global mindset, improved communication skills, stakeholder sensitivity, effective decision-making, and a commitment to excellence (Woodside, 2020). The global mindset acquaints students with diverse practices from countries around the

world, highlighting the importance of considering variations in cultural norms, values, and belief systems when analyzing situations. Effective communication is crucial in addressing various situations, necessitating a strong grasp of verbal and nonverbal communication. When making decisions and formulating strategies, it is essential to base the plan of action on the context, taking local conditions into account. All these learning goals enable students to develop competencies that are highly relevant to the corporate world. Consequently, students with superior competence compared to their peers have a greater chance of excelling in interviews. Top companies recognize this potential and select these competent students as interns, offering generous compensation packages for their summer internships. In light of this, the following propositions are proposed:

Proposition 1: The higher the levels of competence a student possesses in AACSB learning goals, the higher their compensation will be.

Proposition 2: The lower the levels of competence a student possesses in AACSB learning goals, the lower their compensation will be.

However, it raises questions about whether the competence in achieving learning goals is solely influenced by the institution from which students obtained their undergraduate degrees. The study considers the potential impact of their prior education and experiences before joining a management college on their development of competence. Moreover, it explores the sustainability of the advantage gained during internship placements, questioning whether it persists into future opportunities or diminishes with final placements. The dynamic nature of students' performance introduces variability; those who excelled in their first year may not necessarily maintain the same level of performance in subsequent years.

Consequently, the assessment of students' competence in terms of learning goals may not be fully explained by their experiences during summer placements alone. To comprehensively evaluate the effectiveness of the college's learning goals in cultivating student competence, it is imperative to consider their influence on final placements as well. However, it is worth

noting that the scope of this study was limited to summer placements, and, therefore, the analysis was conducted within this defined context.

Limitations And Future Research

Exploring the correlation between learning goal competence and the stipends obtained during summer placements presents various complexities. While Group A members, with higher academic performance and GPA, secured better stipends, the translation of these higher stipends into actual workplace performance wasn't examined. Thus, while college GPA might reflect better competence in learning goals, the learning that occurs in the workplace during summer internships could also significantly contribute to students' competence. Moreover, past credentials, including rich work experience and a strong academic background, might enable certain students to handle opportunities and challenges better than those with fewer credentials. It's important to note that the study's inferences face challenges due to a relatively small sample size, which may not provide entirely accurate results. Additionally, the influence of participants' past experiences and their graduation background was not controlled, potentially impacting the outcomes of summer placements.

Future research could focus on whether students who received higher stipends were offered Pre-Placement Offers (PPOs) from the same companies, as well as whether the same applies to those with lower stipends. This investigation could shed light on whether the competencies sought after during summer placements align with those sought during final placements, considering the distinct nature of both job roles. Since summer placements typically last for only two months, it remains unclear if companies employ the same criteria for hiring summer interns as they do for management trainees.

Another prospective area of study could involve profiling individual candidates placed in companies alongside their job profiles. For example, analyzing the job descriptions of the roles offered would provide insight into whether companies prioritize specific competencies that candidates possess due to their academic backgrounds or working knowledge. This could suggest that in the context of summer placements, the competence in learning goals from the college might not significantly influence the selection process, as

companies prioritize candidates who align with their specific requirements. Therefore, even candidates exhibiting high competence in learning goals may not be shortlisted by companies offering higher stipends if they don't align with the companies' sought-after competencies, despite being proficient in other areas.

Implications

It is evident that a student's competence in learning goals plays a pivotal role in their overall academic performance. Studies like this one further underscore the significance of effective learning goals in enhancing students' prospects of securing favorable stipends during summer placements and for their overall success in final placements. Learning goals aligned with the guidelines set by the American Association of Collegiate Schools of Business (AACSB) offer a multifaceted approach.

In a globalized world where market boundaries are becoming increasingly porous, the demand for high-quality education becomes imperative to meet corporate expectations for a skilled and competent workforce. College communities, including faculty, placement officers, and administration, should actively encourage students to support the college's efforts to enhance and cultivate their competence. This ensures that when companies arrive for placement drives, they encounter a pool of well-qualified applicants. It's worth noting that summer internships provide a mutually beneficial arrangement for all parties involved in the process.

Conclusion

The current study has provided evidence that competence in learning goals significantly correlates with improved student performance. It is clear that a student's competence in learning goals indeed impacts the level of stipend they receive during their summer internships. Regrettably, some students fell short of securing stipends comparable to their peers. Colleges should adopt a more structured approach to foster each student's competence by effectively designing and focusing on competence mapping. This will ensure the holistic development of all students and enhance their overall performance.

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Author's Profile

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Chapter 4

TALENT MANAGEMENT & LEADERSHIP PRACTICES IN THE CONTEXT OF INDIAN WORK CULTURE

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Abstract

Talent management may be considered as a process deployed by organizations for attracting, nurturing/growing & developing and retaining the employees. Talent management in India may additionally be interpreted as thought process and involvement towards removing of obstacles such as lack of resources through using indigenously created strategies called 'jugaad'. Most Indian organisations aim at nurturing familiarity, harmony and predictability but discourage risk taking and change process. The hierarchical system of power relationship prevails at workplace and is prevalent mostly in different workplace relationships and influences Indian leaders to continuously strive to have their decision-making confirmed by their superiors. There are distinctive unique traits about the Indian Leaders - how they plan, take decisions, think, feel, and behave in the organizations. HR practitioners in Indian context have to design plans for maximising talent & leadership potential based on cultural context and workplace requirements.

With the help of structured interview schedule from 25 Professionals the paper arrives at Indian way of talent management and leadership development practices and actionable plans that would work in Indian business context.

Keywords: talent management, Indian culture, leadership, politics

Introduction

The process of talent management involves developing such strategies that may provide a sustainable competitive advantage to the company through better people management practices (Mohapatra & Dhir, 2021). The process may involve analysis of market opportunities, harnessing organisational resources, examination of cultural context including cultural enablers and inhibiters, and identification of other areas of improvements in terms of talent quality so as to yield strategic gains for the organisation. Also, talent management practices in any nation or region would give best dividends when they are in consonance with the culture of that nation or region.
Culture and environment fit matters due to the fact that highly talented employees will not reach full potential in a workplace which offers a poor fit.

Concept of Indian Culture

Hofstede (1980) defined culture as the collective programming of the mind distinguishing the members of one group or category of people from others. Schein (1996) explained culture as one of the most powerful and stable forces operating in organizations. Schein defines organizational culture as "a pattern of basic assumptions—invented, discovered, or developed by a given group as it learns to cope with its problems of external adaptation and internal integration that has worked well enough to be considered valid and, therefore, to be taught to new members as the correct way to perceive, think, and feel in relation to those problems." Organizational culture has been considered as a shared pattern of assumptions which evolve out of combating external forces and internal environment over fairly long period of time, patterns which emerge as being contingent on sustained application of values, vision, mission, traditions, customs, external environment and organizational purpose for existence.

Cultural DNA means deeply ingrained aspects of culture that are replicated over generations rather than biological differences (Bains, 2015). Bains(2015) found tendencies of sycophancy and an overdose of & exaggerated respect for superiors and seniors as characteristic part of Indian corporate life as part of 'cultural DNA' of India. He also asserted India's tolerance may be considered as one of the greatest potential gifts to the world culture. Despite the in-group out-group dichotomy existing there has been a high tolerance for diversity in India.

Sinha (2008) worked on Indian culture and decoded certain peculiar features that it had. Hofstede(1980) also found that India was low on uncertainty avoidance. India's rank in the Uncertainty Avoidance dimension was 40, as compared to the world average of 65. The population may have less rules and regulations trying to control every ambiguous or unexpected situation.

Indian traditional cultural system and practices were understood as fulcrum of South-East Asian business milieu (Varma, Budhwar, Biswas and Toh, 2005).

Indian cultural context and talent management
Talent management in India may be perceived as removing hindrances such as lack of resources through 'jugaad' which refers to a willingness to persistently work upon creative solutions. *Jugaad* is a hindi word translating competency of overcoming constraints by working towards an effective solution using limited resources. *Jugaad* in Indian context may mean as a quick fix solution to India's diversity in terms of needs and aspirations, and attempts to overcome scarcity. *Jugaad* innovators innovate faster, cheaper, better, are highly adaptable and are inclusive. Unlike traditional innovative techniques that depend on time consuming research methods the *jugaad* approach is a faster way to arrive towards a workable solution (approach delivering solution with speed and agility) (Radjou, Prabhu and Ahuja, 2011). Jugaad stands for spirit of ingenuity and creativity in the face of adversity.

Work culture in Indian context seems conservative in nature (Mishra & Budhwar, 2013) and the distribution of power appears to be unequal (Jain, 2015). Sinha & Tripathi (1994) found that Indian psyche indicates Indian

behaviour has been highly complex with contradictions co-existing and positions/stances taken by individuals which were not really based on values in absolute terms but reactions which were contextual and contingent on situation. Individualism and collectivism often co-existed in individuals' behaviour and cultural system reflected both these elements as well.

Efforts towards impactful supervision of organisations may facilitate growth of cultural developmental competencies. To this end, role of effective leadership may be critical to shape success of the policies of organisations (Shiva & Damodar, 2012).

Indian Cultural Context & Leadership: The Power Distance Concept and Role of Nurturant Task Leader

Sinha(1979) developed a leadership model for the Indian context that he termed NT Leader, the model was based on many empirical findings. He asserted that the task provides the focus for superior–subordinate relationship while the socio-cultural system provides the context & appropriate ways of handling the relationship. Sinha(2008) proposed that a nurturant leader is one who approaches towards his/her subordinates with an attitude of care & well being, guides them, gives them direction in their personal issues & professional challenges, works towards their well-being, helps subordinates in their growth and maturity, and if required to bring them back to track reprimands them as well. Additionally, Indian leaders were found to use emotional rewards and arousal of guilt as a means of enforcement, rather than 'assertives' who inflict punishment to bring others in line. Nurturant leadership may be considered as a bond of *sneh* (affection) and for subordinates who return it by manifesting *shraddha* for the leader. Leaders who display a task orientation have to manage the other polarity of the NT leader and provide unconditional affection, even when subordinates perform poorly to bring them back to the group.

Ansari(1986) provided empirical evidence in support of nurturant task leader hypothesised to be conducive to Indian workplaces. From North India, fifteen organisations & 189 male executives from mid level roles were part of the study. The results found that nurturant task leadership style was perceived as

significantly different from other styles, and it had a positive impact on various dimensions of effectiveness--commitment, facets of job satisfaction, and perceived effectiveness.

An Indian personally being collectivist in nature aims towards development of personalised nature of relationship. In such relationships, there is disproportionate shifting of allocating resources to people who are one's own people and form one's inner group (*apne log*, i.e. in-group members). The Indian leader sees no nepotism in going for hiring employees from his region, providing contracts to vendors who are part of his/her inner social circle, even taking his/her team along as he/she shifts from one organisation to another. From his/her lens, he/she sees these moves as 'like-minded people' trustworthy and known, and whose loyalty he/she can trust and who will serve him/her well. Indian leaders have a difficulty in terminating services of employees who perform poorly on the job. Low or weak performance may not be good enough reason for dismissal and multiple opportunities may be provided. Hierarchical orientation & high on power distance is demonstrated in status consciousness whereby subordinates may be seen as going the extra mile to demonstrate their submissiveness and loyalty to their superiors (Sinha, 1990).

The Indian leader wishes to gain power, either in absolute terms or in relation to someone else. The tendency to compare is ingrained in the Indian leader; for years as kids, comparisons are made with the neighbour's children. One is therefore more concerned with control, which is confused for management (Correa, 2020).

When unsure, they would not act but wait for guidance to come forth. This aspect is particularly vexing for those outside India, when negotiating with Indians. He/She is always checking back with someone upwards. Even if someone is delegated, to attend a meeting, he/she will be hesitant to take decisions, unless he/she checks back (Bhushan, 2017; Correa, 2020).

Correa (2020) discusses that most Indian organisations wish to nurture a sense of predictability but are not much forward looking in the area of risk taking or

working towards change. Acts and strategies of Indian bosses appear to be in alignment with that of a familial structure. However, the hierarchy has been witnessed mostly in different workplace relationships and consequentially leads Indian leaders to get their decisions confirmed by their superiors. There are distinctive unique traits about the Indian Leader - how he/she plans, takes decisions, thinks, feels, and behaves in the organizations. He/She responds to the 'kaal' (existential time and prevalent social character), and 'desh' (his inheritance, such as the identity of race, caste, a religion of place) and contextually to the ever changing Indian environment.

Workplace politics & Workforce Interaction

Khatri and Gupta (2019) in a study conducted in a variety of Indian organisations, where data was collected from 202 working professionals in Indian Corporate with full time jobs, found the evidence of politics including constructive politics. Olorunleke (2015) has asserted that politics in workplace is an unavoidable outcome of workplace interaction and may not always be bad. Politics at workplace may have an impact on decision-making in organizations. Even such influences may fast track decision making in organizations. It was found that individuals in organization indulge in politics if they intend to use their power to influence the others (Sonaike, 2013).

Uncertainty avoidance/tolerance to ambiguity

India has scored 40 on Hofstede's dimension of Uncertainty avoidance and provides a framework of somewhat low preference for avoiding uncertainty. In India, one may evidence an acceptance of imperfection, things/practices may need not be perfect nor they need to go as per planning. India has been a traditionally patient nation where tolerance for the unexpected has been on higher side. Individuals/groups may not feel compelled to follow the rules or be 'fast paced' on action but are comfortable into established routines and with not much of questioning by leadership or any other authority. Rules in India exist just to be bypassed and people work on innovations to find out 'ways of non-compliance' of rules. 'Adjustment' is encouraged for wide range of practices such as rules being broken or 'jugaad' being planned to combat a tough problem with some 'local or short term solutions'. It is popularly said

that "nothing is impossible" in India, as far as individual is capable of 'adjusting'.

Key themes

Based on the conceptual insights, leadership models, and review of the literature four key themes were Identified to be studied:

1. Impact of Indian Culture (Cultural DNA) on Talent management
2. Impact of Power Distance on Talent management
3. Impact of Workplace Politics on Talent management
4. Impact of Tolerance to Ambiguity on Talent management

Objectives of the study

Objectives of this study:

The study attempts to explore the perception of working professionals towards the impact of Indian Culture(Cultural DNA), Power Distance, Workplace Politics and Tolerance to Ambiguity on Talent Management Practices.

Research Methodology

The study was conducted on 25 Professionals with diverse background.

The participants were from diverse professional backgrounds, varied workplace cultures, experience and age groups. Summary of full demographic details of the participants are shared in the tables 1 to 6.

The instrument used was structured Interview schedule which aimed to explore the impact of Indian Culture(Cultural DNA), Power Distance, Workplace Politics and Tolerance to Ambiguity on Talent Management Practices (as it relates to the Indian Context) and related experiences of individuals.

8 questions were framed which belong to four themes (see Appendix 1).

First two questions belonging to first theme, question number three and four belonging to second theme, question numbers five and six belonging to third theme and question numbers seven and eight belonging to fourth theme.

Table 1 Educational Qualification of Professionals

Highest Education Qualification	Frequency	%
Graduation	*3*	*12%*
Post-Graduation	*20*	*80%*
Professional Degree	*2*	*8%*

(Source: Author's own work)

Table 2 Gender of Professionals

Gender	Frequency	%
Male	*16*	*64%*
Female	*9*	*36%*

(Source: Author's own work)

Table 3 Age Group of Professionals

Age	Frequency	%
Below 35 Years	*5*	*20%*
Above 35 Years	*20*	*80%*

(Source: Author's own work)

Table 4 Work Experience of Professionals

Work Experience	Frequency	%
Up to 10 years	*3*	*12%*
10 - 20 Years	*17*	*68%*
More than 20 Years	*5*	*20%*

(Source: Author's own work)

Table 5 Nature of Business/Sector of Professionals

Sector(Professionals)	%
Consumer Goods	*16%*
Hospitality	*16%*
Design & Printing	*20%*
Events, Entertainment and Fashion	*16%*
Banking and Financial Services	*20%*
IT/ITES/Telecom	*12%*

(Source: Author's own work)

Table 6 Roles/Designations of Professionals

Designations	%
Sr. General Manager	*12%*
Assistant General Manager	*20%*
Lead Product Manager	*12%*
Sr. Manager	*16%*
Associate VP	*12%*
National Sales Manager	*8%*
Others	*20%*

(Source: Author's own work)

The study followed all aspects of ethical consideration which included non-disclosure of respondents' identity, respondents being told that there are no right or wrong answers and study is for academic purpose only. The interview using the interview schedule was conducted in a way which allowed probe

deeper into specific areas of study and aimed at drawing meaningful insights from participating professions.

Analysis & Discussion (Based on Analysis of Structured Interview Responses)

Analysis was based on theme wise categorization of responses, as presented below.

A. Impact of Indian Culture (Cultural DNA) on Talent management

Culture of a country, region, geography may play a critical role in defining overall workplace philosophy of any organization. Majority of professionals felt that the essential characteristic of Indian Culture is Respect for Hierarchy which is deeply ingrained in all employees. Most of the respondents focused on prevalence of value and respect of authority and employees in organizations often showing deference to their supervisors. As per participants the tone of communication in organizations is often too polite with colleagues in high designations and largely of authority to the subordinates. Another significant finding was the respect for age. Respect for age was an element that was visible and manifested in Indian organizations irrespective of hierarchy. Older employees being often viewed as source of wisdom, and their opinions and advice are being highly regarded. This often led to very structured and disciplined work environment. Professionals working in Consumer Goods, Hospitality, Design & Printing, Retail and Heavy Manufacturing Industry holds a very positive impression of working in such structured and top driven culture, however professionals working in Events, Entertainment, Fashion, Banking and IT appreciate working in more free and lateral culture. Working in a strict top driven target setting environment does not enhance the working experience for them.

Most of the participants from Sales background talked on importance of relationship Building. As per one senior level professional "*Strong relationships are very crucial and is reflected in the workplaces through emphasis on building rapport with colleagues, clients, and business partners for getting things done and sometimes also getting it done through unofficial sources*". Networking is an essential part of business interactions irrespective of the type of Industry.

Adherence to working hours is very important to traditional type of industries. The same is followed very rigorously and is often linked to productivity in such organization. Punctuality, however, came out to be essential requirement of working in professional settings but expectation for flexibility in working hours is becoming more common, especially in the unconventional type of Industries, such as IT and tech industries as employees often work late to accommodate clients in different time zones and internal stakeholders also expect employees to be available round the clock for exigencies.

Other factors of cultural DNA as found during the discussions were—non-verbal cues, such as gestures, facial expressions, and body language, which are important in communication at Indian workplaces. Employers and employees paid attention to those cues to understand unspoken messages. The message need not to be documented always but to be clearly communicated between the team. It includes showing respect to hierarchy by standing if they approach you, understanding actionable steps & stages even if not clearly documented over email exchanges.

Many Indian employees have a strong sense of duty and responsibility toward their jobs. They take their roles seriously and strive to fulfill their obligations by going out of the way. Similarly employers also believe in sharing gifts to their employees in occasions such as festivals, family events of employees such as their marriage or marriage of their children to create a family culture.

When physical and financial resources are lacking, culture may help improved performance and maybe a factor in contributing to organisational effectiveness (Shiva & Damodar, 2012). Organisational culture and HR practices may provide a competitive edge to workplace (Singh, 2011). The changing environment and the diversity in Indian organisations needs to motivate and attract employees (Agarwal, Mandhanya, & Mishra, 2014).

B. Impact of Power Distance on Talent management
People in position of authority significantly impact the workplace systems and practices. People in role of managers, supervisors and top executives do

impact and dictate various workplace practices. Professionals working in bureaucratic organizations driven by centralized authority, narrow spans of control and decision making that follows the chain of command, with highly structured roles & responsibilities, find themselves depending on their managers and supervisors to take their proposals forward due to lack of access to decision makers. This often may lead to misrepresentation in dealings. Professionals working in Manufacturing setup, consumer goods and textiles emphasized that they are dependent on their supervisors for execution of new practices and initiatives. However, professionals from Event, Fashion and IT industry had an option to reach out directly to decision makers of organization.

People in authority often define the expectations and performance standards for their teams or departments. They establish the goals and objectives that employees are expected to achieve, which, in turn, shape the work systems and practices. Authority figures have the power to make decisions about work processes, procedures, and policies along with resource allocation, budgets, personnel and technology.

There are multiple instances shared by respondents where even the priorities change due to ad hoc execution of decisions from people of authority. As per one respondent, *"We had to completely change our Sales strategy mid-year for our East Region as one top executive who had just joined us was based out of Karnataka in his last assignment and was keen on expansion in South region. This led to losing focus and market share in East region too, by year end. It was then followed by increased employee turnover"*.

Another instance that shared was of *decision of adoption of technology in selective departments which is decided by people in authority and its introduction, upgradation, or phasing out impacted work practices and overall goals of another department who could not lobby around for the same.*

Impact of People in Authority often directly and indirectly impacts the decisions pertaining to talent management practices such as performance reviews, rewards, compensation, and succession planning.

In India, the participative style of leadership in which both the manager and subordinate have a proactive role in making decisions is not as effective. This style is successful in non-hierarchical societies, having low power distance and egalitarian. In hierarchical societies like India, in fact a leader with this style is considered a weak manager. The research confirms that 'the participative leaders were liked in some cases; but in most other cases they were perceived to be weak,' held responsible for not directing their subordinates to take decisions and taking responsibility for the consequences(Correa, 2020).

Top executives often exercise authority over practices such as goal alignment, recognition and appreciation, training, promotions and bonus payouts. These practices are much more evident when the overall strategies/systems/processes of organization are more undefined, unstructured and capable of being interpreted differently. Professionals from Banking and Financial service see people in position of authority much less involved in reward or promotion decisions due to prevalence of very structured compensation structure while professionals in IT, fashion and project-based organizations perceive leaders in top positions influencing decisions related to promotions and rewards.

C. Impact of Workplace Politics on Talent management
When asked about the impact of workplace politics in identification and development of talent in organizations, the general responses were around negative impact of workplace politics and the way it undermines the overall career growth of employees (especially those innocent employees who often are not even remotely involved in workplace politics). Workplace politics lead to meritocracy erosion and is detrimental to perceived notion of 'merit-based talent development'. Individuals who excel at political maneuvering at workplace may cash in on opportunities they don't necessarily deserve, sidelining more qualified talent. Political behavior results in favouritism, where certain employees receive preferential treatment in terms of training, career advancement, and skill development, while others are sidelined. Excessive politicking often creates a toxic work environment where employees focus on personal gain rather than collaboration and development. Employees try to get engaged in workplace politics and may spend more time lobbying

than focusing on their professional growth. When workplace politics was prevalent, some participants shared that "there was a feeling of *exclusion or discouragement from participation in development programmes due to perceived favoritism or nepotism in system*". Impact of such practices often leads to employees distancing themselves from superiors/or even from organization as such, either by withdrawal from contributions or by quitting such workplaces.

However, the impact of workplace politics on talent Identification and development looks more complex than it seems. As per respondents while it can provide opportunities for some by giving exposure, extensive networking and career advancement options at individual levels but may lead to challenges hindering the development of majority of workforce as well as slowing down building of organizational capabilities in long run. Almost all respondents were of the opinion that organizations should strive for creating a healthy & inclusive workplace culture that values merit-based promotions & minimizes the negativity of politics. This involves promotion of transparent, fair, and ethical behavior in all talent development practices.

D. Impact of Tolerance to Ambiguity on Talent management
When respondents were asked about the instances of uncertainty & ambiguity in the workplaces the reasons varied involving economic fluctuations, market volatility, and financial instability which led to uncertainty regarding managing budgets, investments, and revenue projections. Some professionals quoted re-organization, mergers, acquisitions, and leadership transitions which resulted in uncertainty about their job security, roles, and reporting structures. Also, events such as pandemic led to increased health and safety concerns where remote work arrangements and shifts in work practices were introduced. Respondents from Telecom sector focused more on frequent changes in regulations and compliance requirements that lead to uncertainty in industries overall. However, on questions of managing such issues, examples were given which indicated practices of "jugaad" and which almost all participants had tried it sometime in their professional journey. It is a concept that is particularly prevalent in India and has gained recognition worldwide. Jugaad as mentioned earlier, is about finding quick and

unconventional solutions to challenges or constraints, often with limited resources. It can involve repurposing, improvising, and adapting existing tools, materials, or processes to meet a specific need. While it can be an asset for solving immediate problems, it's important to note that jugaad solutions may not always be the most sustainable or efficient in the long run. In a business or organizational context, a balance between jugaad and structured, long-term planning is often necessary to ensure lasting success.

The Indian way of leading may be witnessed as marked by a complete all-round engagement with employees, agility & adaptability to different changes and challenges, addressing employee needs through 'value for money', and finally, a much longer-term vision and purpose. The Indian way of conducting business, 'Om Sarve Bhavantu Sukhinah' (may all become happy), is inextricably linked to cultural and philosophical roots. Indian leaders have always considered business as part of a wider social vision & responsibility. To combat the roadblocks and challenges, there is creativity in work practices with Indians taking pride, to find 'temporary fixes' called Jugaad to get efforts 'worked out' (Correa, 2020).

Some other examples of ambiguity (and quick fix strategies to combat ambiguity) were, with one professional asserting that due to *hastily filling of vacancies which were not planned well through workforce planning strategy till last moment, led to hiring of people available through open vacancies but finally ending in poor job fitment*. Similarly, a lack of long-term strategies for employee engagement resulted in short-term measures to boost morale, such as one-time events or incentives, foreign trips etc. without addressing deeper engagement issues.

Other instances related to challenges associated with ambiguity in talent management processes/practices as shared were *absence of planning of long-term diversity & inclusion measures leading to improper direction of diversity hiring & training sessions to meet diversity goals, lack of addressing long-term well-being issues and inadequate measures on well-being programmes resulted in arranging one time mental health or wellness activities (to address employee concerns), insufficient long-term leadership development strategies e.g. challenges related to competency*

building arose when fast track promotion of individuals into leadership roles took place without adequate preparation for the role.

Conclusion

Context may be of high significance in creating an impact on talent management practices. In India, nurturant task leadership style was perceived as significantly different from other styles, and it had a positive impact on various dimensions of effectiveness while participative style of leadership in which both the manager and subordinate had a proactive role in making decisions was not found much effective.

When structured interview schedule was used as a data collection instrument to identify impact of Indian culture, power distance, workplace politics and tolerance to ambiguity, on talent management some significant findings were recorded. Majority of professionals felt that the essential characteristic of Indian Culture (often referred to as cultural DNA) is Respect for Hierarchy and respect for age which is deeply ingrained in Indian workplaces in employees. Relationship Building was found very important dimension in workplaces for talent management which included emphasis on building rapport with colleagues, clients, and business partners. Other Indian values reported were a strong sense of duty and responsibility toward their jobs. Employees took their roles seriously and strived to fulfill their obligations by even going out of the way. Professions working in Manufacturing setup, consumer goods and textiles reported that they are dependent on their supervisors for execution of practices and initiatives.

People in position of authority defined the expectations and performance standards for their teams or departments. Top executives often exercise authority over practices such as goal alignment, training, promotions and bonus etc. These practices were more evident when the overall strategies/systems/processes of organization were more undefined, and capable of being interpreted differently. Workplace politics also caused discouragement from participating in development programmes due to perceived favouritism or nepotism. Impact of such practices often caused employees keeping themselves away from superiors/or even from

organization and even quitting such workplaces. Some other examples of tolerance to ambiguity were hastily filling of vacancies which were not planned well that finally resulted in poor job fitment. Similarly, a lack of long-term strategies for employee engagement resulted in short-term measures to boost morale, such as one-time events or incentives, foreign trips etc. without addressing deeper engagement issues. In a business or organizational context, a balance between jugaad and structured, long-term planning was often necessary to ensure lasting success and best results out of talent management.

Finally, as an end note we may say that if cultural context and its dimensions are properly understood by HR professionals, it may lead to better management of talent further leading to increased organisational effectiveness.

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Appendix-1 Structured Interview Schedule
Interview Schedule

1.	Are Elements/Symbols of Culture, called as Cultural DNA, of Indian society visible at the workplaces too? If yes, then how.
2.	What are some of the unique characteristics of Leadership in reference to Indian Context.
3.	Do People in position of authority influence and dictate work system and practices.
4.	How do people in positions of authority influence Talent Management Practices such as Perf. Review, Rewards and Succession Planning.
5.	Does Workplace politics create a sense of bias in identification and development of Talent.
6.	How do Workplace politics influence the sense of psychological safety in employees and play a role in employee turnover.
7.	How do leaders combat the challenges of uncertainty or ambiguity at the workplace?
8.	Are there any instances where such uncertainties/ambiguities as they were affecting Talent Management, therefore, leaders decided to give way to temporary fixes?

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Chapter 5

A SKILL GAP ANALYSIS OF ENGINEERING GRADUATES IN INDIA

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Abstract

A significant impediment to India's transition to a knowledge economy and its growing reliance on technology in the manufacturing and service sectors is the emergence of gaps in higher education. Concerns about engineering graduates' employability are still very real for the Indian labour market. This chapter examines the particular skill gaps and issues that affect employability for engineering graduates, focusing on non-digital engineering streams. This analysis of skill disparity will offer an understanding of the skill sets that industries most desire for entry level job roles and the efficiency with which Indian engineering schools develop these skills. It is intended to identify the degree of alignment—or lack thereof—between industry demands and educational curriculum by closely examining course offerings. This will

provide policymakers with valuable insights and information to help them develop solutions to address skill mismatch in higher education.

Keywords: Education, skill mismatch, employability, engineering, higher education

Introduction

India is at a turning point in its quest to become a major player in the world economy and is a country set for rapid demographic growth. For a considerable time, the primary focus of the conversation in India on education and employability has been on primary and secondary education, with an emphasis on the significant shortcomings in these areas. However, the urgency of a rapidly changing workforce landscape and the need for a skilled labour force have magnified the importance of tertiary education, specifically focusing on engineering graduates.

India is experiencing a demographic dividend due to an unprecedented increase in the number of young people living there; nonetheless, there is still a significant mismatch between the skills that higher education institutions teach and the demands of a constantly changing labour market. The conventional Indian educational system, which emphasises theoretical knowledge and memorization, fails to provide graduates with the necessary practical skills for the workforce in the present day.
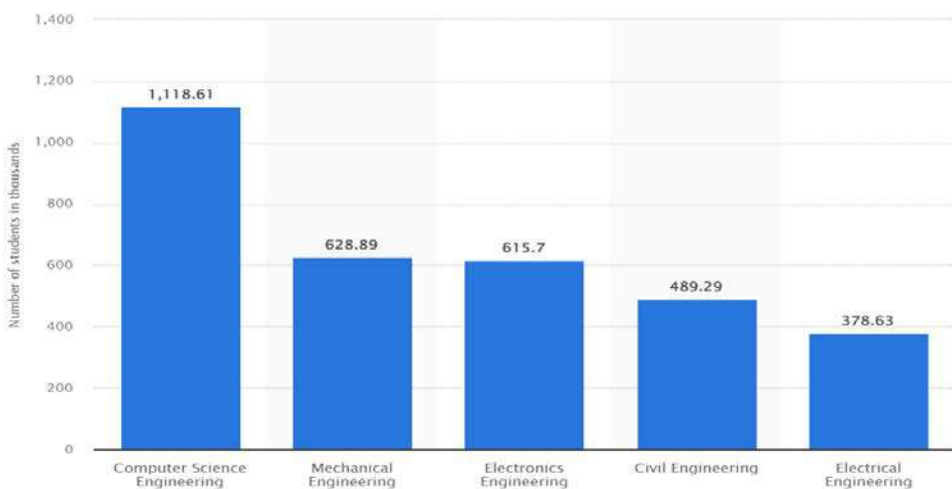
Number of students enrolled in engineering at an undergraduate level across India in 2021, by discipline (Source: Statista)

The aim of this paper is to delve deep into the pressing issue of skill gaps and employability of engineering graduates in India, with a specific focus on two vital engineering streams: mechanical and electronics & communications. It seeks to elucidate the challenges and opportunities within the realm of engineering education in India. By identifying and addressing skill mismatches, we aim to contribute to the enhancement of the employability of engineering graduates and, in doing so, support the nation's quest for sustained economic growth and competitiveness on the global stage.

Assumptions
1. It is assumed that the engineering curriculum in India exhibits a broad uniformity across regions, thereby allowing for an evenly distributed sample space. This assumption is rooted in the belief that the core tenets of engineering education remain consistent throughout the country, regardless of geographical location.
2. Skill overlaps, as defined within this study, are primarily the subject matter and knowledge imparted by the engineering programs, rather than specific content overlap.

Methodology
This paper investigates skill gaps and employability of Indian engineering graduates, focusing on mechanical and electronics engineering. It aims to align industry needs with educational curricula and guide students and organisations. The study starts by identifying prominent engineering streams in India and selects colleges from different regions of India based on NIRF rankings (band 200-250).

Next, it scrutinises the curricula of chosen colleges to identify skills engineering students are expected to acquire. Simultaneously, it delves into the hiring trends in key sectors like BFSI, Software & IT, Internet Businesses, Pharma, and Automotive to understand their skill requirements.

The final step involves a comparison between skills developed by mechanical and electronics engineering programs and the demands across industries. This

analysis identified skill gaps and mismatches in engineering education and industry demands.

Emerging Trends

BFSI: In the Banking, Financial Services, and Insurance (BFSI) sector, there is a noticeable hiring paradox, as reported by Randstad Sourceright. Companies within this industry are actively recruiting specialised talent to swiftly adapt to digital requirements, reflecting a shift toward an employer's market. With the growing fusion of finance and technology, the BFSI sector is being reshaped by digitalization. Many organisations are embracing modern technologies, including Artificial Intelligence, Internet of Things, Agile methodologies, cloud-based IT infrastructure, and Robotic Process Automation. As a result, the skill set requirements in this sector are evolving, with a particular demand for roles such as data analysts, app developers, and artificial intelligence experts. The National Skill Development Corporation predicts that the BFSI sector is poised to create approximately 1.6 million jobs, emphasising the importance of updating existing skill sets to align with industry needs.

Automotive Industry: The automotive industry is currently undergoing a significant technological transformation, as outlined in a report by McKinsey. Four disruptive technology-driven trends - diverse mobility, autonomous driving, electrification, and connectivity - are shaping the industry's landscape. Electric vehicles are projected to account for a substantial portion of the market by 2030, necessitating a skilled workforce to support this shift. Furthermore, the pandemic has accelerated the adoption of remote work, and even non-banking companies are offering embedded banking services. Automotive companies are leveraging digital technologies to provide personalised customer advice, incorporating facial recognition for secure self-service, and managing financial assets through web and mobile platforms. These trends are expected to drive the automotive industry's next-generation advancement.

Internet Business: The internet business sector is continuously evolving, with several emerging trends, according to Gartner. The industry is facing

challenges related to talent acquisition, an exhausted workforce, and cost control. To address these challenges, a strategic focus on workforce and talent goals is imperative. Trends in the sector include "quiet hiring" to acquire new skills without adding full-time employees, hybrid flexibility for frontline workers, and the pursuit of nontraditional candidates to expand talent pipelines. The shift in talent needs encompasses digital roles, broader ecosystems, and the emergence of artificial intelligence and the Internet of Things. Reskilling existing talent is vital to address the challenges in finding new hires.

Information Technology: The Information Technology (IT) sector is in a state of constant evolution, and staying current with emerging trends is crucial. Significant changes in the IT talent landscape have occurred over the past two years, according to Info-Tech Research Group. Organisations are urged to optimise IT in a competitive labour market, embrace diversity, equity, and inclusion, manage the transition to remote work, and address the challenges associated with the Great Resignation. The report also emphasises the importance of a supportive culture, flexible work arrangements, and work-life balance. Additional trends in the IT sector, as identified by YourTeaminIndia, include Artificial Intelligence, Advanced Analytics, Datafication, Robotic Process Automation, Augmented and Virtual Reality, IT Outsourcing, Low-Code Technology, and Natural Language Processing. These trends are poised to shape the future of the IT industry.

Pharmaceutical: The pharmaceutical industry in India is undergoing significant changes in the talent landscape, with a shift from "Make in India" to "Develop in India" and increased globalisation, as noted in a report by Amrop India. This transformation also involves an increasing focus on value addition over pricing and a transition from a competitive to a collaborative mindset, especially with the merging of sectors. Adaptability and flexibility are deemed key to success in this evolving environment. However, the industry faces a talent pool that has not kept pace with the changing dynamics and disruptions, resulting in a misalignment between talent availability and capability requirements. This necessitates upgrading skills and capabilities within existing functions to respond effectively to market shifts. Emerging

hiring trends in the pharmaceutical industry in India, as highlighted by HR Economic Times, underline the need for tech-savvy employees well-versed in the latest technology and open to innovations and ideas. These trends are expected to shape the future of the pharmaceutical industry in India.

Analysis of the results
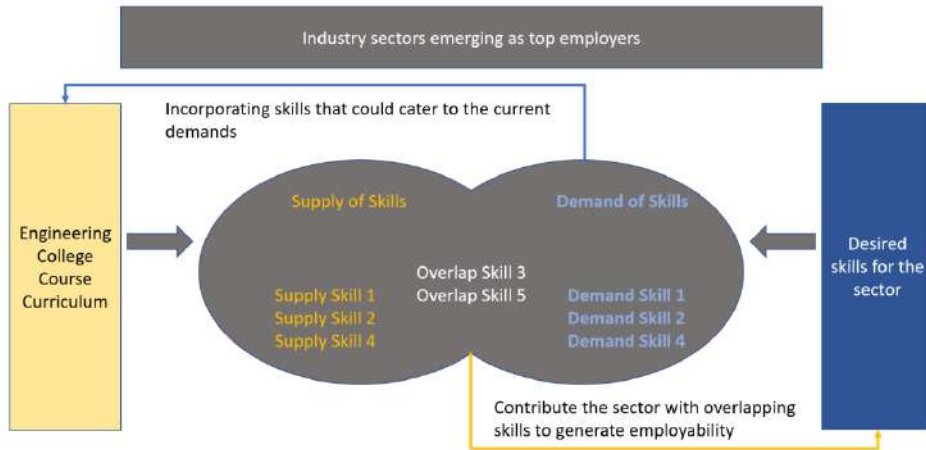
(Source: Author's own work)

In the context of the **BFSI sector**, an examination of skills reveals a noteworthy affinity with the Electronics and Communications Engineering (ECE) stream. This affinity is characterised by a substantial overlap in technical skills, specifically in the domains of "Data Analysis and Management," "Technology and IT," "Customer Relationship and Sales," "Programming," "Cybersecurity Management," and "Network Administration." These skills align with the demands of the BFSI industry, and it can be inferred that ECE graduates are well-positioned to contribute to this sector. Therefore, there is a compelling opportunity to enhance the value of the BFSI sector by focusing on the inclusion of ECE graduates, given their aptitude for these crucial skills. In contrast, the Mechanical Engineering stream exhibits negligible overlap, rendering it less suitable for addressing the skill demands of the BFSI sector.

Conversely, the **Automotive sector** presents a different dynamic, where Mechanical Engineering graduates demonstrate a substantial convergence of hardware-related skills. These skills encompass proficiencies in "Machine

Operation," "CAD," "Vehicle Maintenance and Repair," "Engine Diagnostics," "Safety Protocols and Procedures," "Material Prototype Testing," "Product Life Cycle," "Six Sigma and TQM," and "Electric Motor Design." The curriculum for Mechanical Engineering adequately equips students with these competencies throughout their educational journey. However, there remains room for enhancement in specific areas to align more closely with sector demands. Focus should be directed towards fortifying skills in "Quality Control and Assurance," "Procurement and Sourcing," "Sales Techniques," "Supply Chain Management," "Hazard Identification," "Battery Technology Expertise," "Power Electronics Engineering," "Embedded Systems Programming Skills," and "Mechatronics Acumen." As the Electric Vehicle (EV) sector gains prominence in the Automotive industry, there is a rising demand for ECE graduates, substantiated by their skill overlap in "Battery Technology Expertise," "Power Electronics," "Electric Motor Design," "Embedded Systems," and "Programming." Nurturing these skills will serve to bolster the talent supply in response to this burgeoning demand. Moreover, to enhance the employability of ECE graduates in the Automotive sector, attention should be directed towards cultivating proficiencies in "Digital capabilities," "Mechatronics," "Artificial Intelligence (AI) Expertise," "Vehicle-to-Everything (V2X) Communication," and "Charging Infrastructure."

In the context of the **IT and Internet Business sector**, the curriculum of the Electronics and Communications Engineering (ECE) stream demonstrates substantial alignment with the skills essential for employability. Notable areas of skill overlap encompass proficiency in "Programming languages," "Web development," "Database management," "Data analysis tools," "Data visualisation," "Statistical analysis," "Network protocols," as well as "SQL and NoSQL databases." These proficiencies directly address the requirements typically expected from entry-level positions within this sector. However, in light of emerging trends, it is evident that ECE graduates can significantly contribute to the sector's future needs through the development of novel skills. These evolving skill sets encompass "Mobile app development," "Version control," "Machine learning and AI," "Cybersecurity Management," "Infrastructure as Code," "Product development lifecycle," and "Security frameworks." Conversely, the outlook for the Mechanical stream appears less

promising when considering the majority of skills currently in demand within the context of digital and technology-oriented infrastructure.

Lastly for the **Pharmaceutical sector**, the majority of contribution from engineering graduates can be contributed towards Mechanical engineering graduates as the prevalent area of skill belonged to "Manufacturing Practices", "Quality control and assurance", "Quality management systems", "SCADA", "Equipment calibration and validation", "PLC", "Process automation". In terms of the skills which can be given more importance in the syllabus would entail "Regulatory submissions and filings", "Inventory management", "Documentation and record-keeping", "CAPA (Corrective and Preventive Actions)", "Change control", "Risk assessment", "Compliance and validation". The ECE stream had a negligible overlap in terms of skills attained through the course curriculum and hence, from an employability perspective Pharmaceutical is not catering to the supply of skills from the colleges.

Non-Technical Skills

When addressing non-technical skills, engineering graduates demonstrate a well-rounded set of skills developed over their four-year academic journey, aligning with the demands of various industries. These skills encompass a wide range of vital attributes, including:

1. *Communication Skills*: Across all the assessed curriculum, the importance of clear communication is evident. Engineering graduates, equipped with strong written and verbal communication skills, are well-prepared to convey their ideas effectively. Though the lack of business essence in the curriculum fails to condition these graduates with the processes run in these sectors and equipping them with the contextual needs of communication needed for these sectors.

2. *Interpersonal Skills*: Engineering graduates recognize the value of positive working relationships. Throughout the span of 4 year journey these graduates understand the need for empathy, building relations and serving the society through their individual journeys is very evident. Yet, with each new generation of engineers the need to put

emphasis on peer importance on professional networking and patience for learning and success becomes crucial as well.

3. *Problem-Solving Skills*: Many research has emphasized the role of problem-solving in various sectors, such as the need for innovative solutions in the Automotive sector to address the challenges of electric vehicle technology or devising innovative solutions to complex data analysis in the IT sector. This skill also encompasses making data-driven decisions and breaking out problems, which are essentially analytical and critical thinking abilities. However students in engineering colleges are not able to develop this skill, largely because of lack of opportunities of working on real organisation problems.

Recommendations

Despite the gravity of the situation, limited research has been conducted to identify the specific skills that employers require and to assess the extent to which graduates fulfil these expectations. There is a growing need for this information among educators, administrators, and policymakers. For instance, the Government of India, in collaboration with the World Bank, decided to implement a program aimed at enhancing the quality of engineering education and improving the learning outcomes of engineering graduates. To support this program and other similar initiatives, it was essential to pinpoint the precise challenges concerning the skills that employers seek and offer comprehensive insights and practical recommendations for addressing these skill gaps.

Student Perspective

1. *Seeking Career Guidance*: In the context of higher education, it's important to acknowledge that it doesn't offer a foolproof guarantee for transitioning into the workforce. Career guidance is a pivotal factor in facilitating both the professional and personal development of students and graduates.

2. *Identify better skills overlap through training:* Students can identify a few core areas of strength for them and develop themselves through projects and certifications. The bridging of the gap between academia and industry is best achieved through industrial training. This form of

training enhances practical knowledge and skills that are directly applicable in real-world work settings.

3. *Seeking out opportunities to increase employability*: Students must look at gaining practical knowledge by associating with the growing MSME sector and start-up ecosystem. We see a growing number of players especially in the internet and automotive sector belonging to the MSME sector and start-ups. These organisations will be a good learning ground for students to get their hands on work which will enhance their subject knowledge, improve their problem solving skills and give them an opportunity to apply their learnings in a real world.

College Perspective

1. *Curriculum Enhancement for Industry Relevance:* Engineering colleges should take a proactive stance by continually reviewing and revising their curricula to ensure that they remain in sync with the evolving needs of industries. Collaboration with industry experts is crucial in this process to identify the most relevant and in-demand skills.

2. *Employability Workshops and Soft Skills Training*: In recognition of the fact that technical skills alone are insufficient for engineering graduates to succeed in the workplace, engineering colleges should incorporate employability workshops and soft skills training into their programs. These workshops can offer a focused approach to enhancing students' communication, problem-solving, teamwork, leadership, and other soft skills that employers highly value. Engineering graduates with well-developed soft skills are more likely to thrive in their careers. The real world often demands effective communication, teamwork, and the ability to adapt to diverse work environments.

3. *Industry Partnerships and Internship Programs:* Engineering colleges should establish strong partnerships with local industries to ensure that students gain real-world exposure and insights. Active engagement with nearby businesses is essential for providing students with practical experience. According to the Ministry of Labor and Employment's report on employment for 2009–10, of the almost 2 million graduates per year, just 20–25% are employable, indicating an acute skill shortage. According to Dileep Chenoy, CEO and managing

director of the National Skill Development Council, a non-profit organisation founded by the finance ministry, "the skill gap in 22 sectors was close to 347 million in 2022. This would have increased further in 2023."

4. *Mentorship Programs:* Mentorship programs, in which experienced professionals from the industry guide students, can provide invaluable support. These mentors, with their wealth of experience, offer insights, career guidance, and assistance in developing a profound understanding of their respective fields.

Organisation Perspective

1. *Engage in Curriculum Design:* Organisations should actively participate in the design and development of engineering college curricula. Collaborating with academic institutions allows them to define the specific skill sets required for their roles, thereby ensuring that graduates are better aligned with industry needs. For instance, with the rise of EV landscape, industry expertise can help institutions assess the future needs that need to be built within the students right during graduation.

2. *Support for Industry-Specific Training:* Companies can create specialised training programs tailored to their specific needs. These programs may include certifications, short courses, or online learning modules that focus on the skills required in their industry. TalentNext, Wipro's Corporate Social Responsibility program, strives to improve engineering education quality by training academic leaders and teachers to train students. The program has now been made available directly to students through Future Skills, a cutting-edge platform designed to close the skills gap between industry and academia and assist students in keeping up with the latest developments in artificial intelligence, big data, cloud computing, cybersecurity, and the internet of things (IoT) to prepare them for the future.

3. *Collaborative Research and Development:* Organisations can foster research collaborations with engineering colleges to drive innovation and stay updated with the latest technological advancements. By actively participating in research projects and working closely with academic

institutions, companies ensure that graduates have hands-on experience and relevant skills. Under the initiative being overseen by K. Venkataramanan, president (operations), Larsen and Toubro Ltd (L&T), India's largest construction and engineering firm, industry experts will be sent to the institutions to help upgrade facilities and teach students. Students will also get to work on real corporate projects. In small cities, the majority of engineering colleges lack high-quality laboratories, which would need crores of rupees to set up or update. In the end, students are not able to access the technology that prepares them for the workforce.

Venkataramanan says industries, apart from upgrading coursework in line with the needs of colleges, will also give them machines and equipment that will enable a better learning environment. Colleges would be expected to assist companies in their patent filing efforts in exchange.

4. *Continual Feedback Mechanism:* Establishing a feedback loop between organisations and academic institutions is essential. Regular discussions and the sharing of feedback can help both parties understand the evolving skill requirements and make necessary adjustments.

Conclusion

The complexity of the labour market and the skill gap within the Indian workforce are evident in this scenario. Employers have devised their own strategies to address this issue. The policy question revolves around how to adapt the education system to meet the increasing demand for skilled labour. An effective approach involves a dual strategy of offering vocational training at levels below graduation and technical education at the post-schooling and graduate levels. Simultaneously, enhancing universal schooling, expanding the pool of eligible candidates for higher education, and elevating the quality of both school and post-school education are crucial components for any successful skill development policy. Additionally, efforts should be directed toward promoting on-the-job training through apprenticeship programs as an effective means of enhancing the skills of the younger generation. The

Government of India has approved the Apprentices (Amendment) Bill 2004, which aids in enhancing skills and employability among the youth by facilitating on-the-job training. It holds significant importance to prepare engineers with a comprehensive and in-demand skill set, benefiting both individual engineers and the country's development. Key economic sectors, such as IT, automotive, Internet Business, heavily rely on engineering skills and technologies.

One strategy would be to provide incentives to the businesses operating in these fields so they will work with these institutions on innovation and infrastructure development. Tax breaks to encourage the hiring of students for internships can also be thought of as a successful strategy to increase employability and add value to the education industry.

The synergy between engineering colleges and organisations plays a pivotal role in equipping engineering graduates with the skills, knowledge, and adaptability required in today's rapidly evolving job market. Through proactive curriculum enhancements, practical skill development, and meaningful industry partnerships, engineering colleges can better prepare graduates to meet industry demands from day one. Simultaneously, organisations can play a significant role to play in providing guidance, support, and a clear pathway for graduates to transition smoothly into the workforce. This will a win-win situation for all.

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Chapter 6

MANAGING TALENT UNDER CONSTRAINT - THE SME PERSPECTIVE

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Abstract

Small and Medium Enterprises (SMEs) play a critical role in the economy of many countries. They are globally considered as the root for entrepreneurship, employment and innovation. They produce a vast and varied types of products and services to meet the requirements of the markets. For a country like India, where labour is available in abundance and capital is known to be scarce, these industries serve to provide employment to millions of people. There are about 30 million Micro, Small and Medium Enterprises in India that provide employment for more than 60 million people (report published by Govt. Of India for Micro, Small and Medium Enterprises in their Annual Report, 2020). Managing talent effectively is essential for SMEs to thrive. However, they face numerous challenges in acquiring and retaining talented employees as compared to larger organizations. Working with several constraints, SMEs have focused on developing talent management practices that allow them to remain competitive. This chapter serves to elaborate on an

under addressed yet significant topic by capturing the challenges and constraints faced by SMEs in talent management. The chapter also throws light on some of the talent management practices deployed by SMEs to remain competitive.

Keywords: Small and Medium enterprises; talent management in SMEs; talent attraction in SMEs; employer branding by SMEs

Introduction

In the dynamic business scenario and the current economic situation, it is challenging to gain a competitive advantage through gaining access and being in a comfortable situation of possessing financial and physical resources. It is particularly difficult for SME's, due to the limited resources they possess. Effective talent management is the key to successful businesses and managing talent is imperative for organisations irrespective of size. In their journey towards growth SME's face distinctive challenges towards attracting and retaining talent. Unlike their larger counterparts, SME's may not have the same resources or brand recognition to effortlessly draw in top-tier talent, nor do they always have the scale to provide the same compensation and benefits packages. As a result they generally struggle to ensure that they are able to retain the required talent to help the business to succeed. Considering the unique dynamics and variables in the SME environment the talent management can be explored in a differential manner by identifying and capitalising on the available strengths and capabilities they possess.

For an organisation to be considered as an SME the common consideration is the employee size which varies for different countries. In Australia, it is limited to 200 employees whereas in European countries the no. of employees are limited to 250 employees while in countries like Canada and US the number of employees can have the upper limit of 500. In India SME's are categorised depending on the quantum of investment they have made in deploying plant and machinery.

In the Indian context, the Micro, Small and Medium Enterprises Development Act, 2006 enables the growth and progression of these business enterprises in

order to boost their ability to compete in the economy. There is a legal context that is provided by the act which encompasses the product (manufacturing) as well as the service industries. There is clarity for the first time in defining the scope of medium industries. It amalgamates the 3 levels of the business enterprises namely, micro, small and medium (As stated by the Development Commissioner of Micro, Small and Medium Enterprises, 2009). The Annual report of Micro, Small and Medium Enterprises of India (2011) narrates that the Micro, Small and Medium Enterprises act 2006 was endorsed to focus and tackle issues upsetting or disturbing the Micro, Small and Medium Enterprises and to cover the investment limit of the sector. The broad features and rule stated in the Act talks about and elaborates about the building, developing and implementation of a National Board for these business enterprises, bifurcation and classification of the enterprises, formulation of expert advisory panels and committees for promoting progress of MSME's along with development and enriching them, schemes and provisions to control overdue payments and ratification of rules by state governments to implement as per the Micro, Small and Medium Enterprises Act, 2006 in their specific states.

Revised Classification applicable w.e.f 1st July 2020 Composite Criteria: Investment in Plant & Machinery/equipment and Annual Turnover			
Classification	Micro	Small	Medium
Manufacturing Enterprises and Enterprises Rendering Services	Investment in Plant and Machinery or Equipment: Not more than Rs.1 crore and Annual Turnover; not more than Rs. 5 crore	Investment in Plant and Machinery or Equipment: Not more than Rs.10 crore and Annual Turnover; not more than Rs. 50 crore	Investment in Plant and Machinery or Equipment: Not more than Rs.50 crore and Annual Turnover; not more than Rs. 250 crore

Table 1: Classification of Micro, Small and Medium Enterprises's (Source: Govt. of India: Ministry of Micro, Small and Medium Enterprises)

Talent Management in Small and Medium Enterprises
The concept of talent management emerged first in the 1990s, and it is still being used by businesses as they come to understand that a key component of what makes a successful firm is the people. The talents and abilities of its workforce. "Talent management is the systematic process of attracting, developing, retaining, and deploying people whose value to an organisation contributes to long-term growth and strategic success" (Gallardo-Gallardo et al., 2019). The journey talks about attracting, developing, and keeping people by fostering environments that support their potential growth and keep them motivated to consistently impact and influence the business (Jamka, 2011). The functioning model of talent management provides an advantage of ensuring that organisations have the right resources to consistently enable to achieve the business goals in a timely manner. This functioning model allows employees to effectively implement organisations wide strategies and increase the competitiveness of the company (Hitka, M. & P. Lejsková, 2015).

Today´s employees have great flexibility and access to move between industries with an increased hiring competition between organisations making it challenging to attract and retain the right and competent people and if organisations want to be successful in today's ever changing business environment, they will require to invest and build on their human capital. A strategy which is focused on requiring capable and skilled human resources in order to gain a competitive advantage (Barney,1991). An organisation can gain a competitive advantage in the marketplace only if it is able to focus on employees´ satisfaction when it comes to their work life thereby resulting in external customer satisfaction and positive business results.

Some definitions of Talent Management mention the concept of inclusive approach which is the development of all employees in the organisation in order to motivate them to achieve their highest capability and potential (Ashton & Morton,2005) while some authors and experts describe talent management as a process of developing and defining strategies for retention

of employees who over a period of time become critical and irreplaceable for the business as they consistently contribute towards the success of the organisation (Cappelli & Keller, 2014).This approach is described as the exclusive approach. Some experts even define this as a strengths based approach. Evidence suggests that the conceptualisation and process of Talent Management in Small and Medium Enterprises is somewhat different than MNCs. This is considering the significant differences between the premise each of them operated from, for example MNC's primarily focus on high potentials and high performers who contribute significantly to the organisations growth (Cappelli & Keller, 2014). An organisation in the Small and Medium sector would mostly follow an egalitarian culture which does not encourage the concept of exclusive approach of Talent Management. Inclusive approaches are therefore more commonly embraced, signifying the strong belief of Small and Medium Enterprises in the capability and potential of their overall Human Capital to be able to add value towards the growth of the organisation (Krishnan & Scullion, 2017)

It is established that talent management practices contribute considerably to the success of organisations however small and medium-sized businesses frequently struggle to establish a dedicated HR function and therefore experience lack of formalised talent management procedures, and the strategies implemented are highly influenced by the owner's experience, background, thought process', philosophies and values.(Festing et al., 2017)

Challenges faced by SMES
Resources Constraints

Due to resources constraints SME's experience various challenges in attracting the right talent compared to larger organisations. With limited resources at their disposal they prefer using the most common recruitment techniques which may not be able to attract a sufficiently qualified candidate suitable for the role. Managing talent effectively is essential for SMEs to thrive but they face the challenge of retaining talented employees, particularly the younger generation, who are used to job-hopping and are not very particular about organisation loyalty or commitment (Ferri-Reed, 2014). SMEs are coping with the struggle to operate with limited resources, which results in prioritising

and focusing on immediate business needs rather than robust HR processes (Cardon & Stevens, 2004) and therefore it becomes more challenging and exigent for Small and Medium Enterprises to outstrip competition while large organizations aggressively and continuously scout for new talent in the market.

The accessibility and being able to hire key talent is a critical factor contributing to the success of the small businesses, however the constrained ability to build an expensive people process (Cardon & Stevens, 2004, Festing et al., 2013) makes it even more challenging to provide competitive compensation packages and attract talent which is easily accessible to large firms due to their size and resource rich situation. Organizations are constantly changing to adapt to a dynamic environment and managing the workforce effectively becomes a critical aspect of surviving in the dynamic business environment. As SME's focus more on routine day to day business activities, they are unable to invest their resources in building and developing HR practices or revisiting their existing structures processes, especially as they are aware that the status quo is able to deliver the required output.

SMEs have now been recognised and accepted as a growing and progressing sector around the world, they however often experience fundamental challenges such as their size, talent capability, required level of skills and expertise, and availability of information along with financial resources (Lu & Beamish, 2001.These organisations commonly face resource constraints, specially family owned businesses, who commonly rely on informal working ways and practices which facilitates their working and helps them to maintain agility and alter their business strategies as required by the external and internal environment (Valverde et al., 2013). Compared to other business functions like marketing , operations and finance the HR function along with talent development can easily be overlooked.

Employer Branding
Retaining employees becomes a critical aspect considering that SME's are growth oriented and attrition will only jeopardise their ability to achieve the organisations objectives and succeed and therefore developing and creating

the employer brand and reputation and portraying and presenting the organisation as a great place to work is extremely important for a mid-sized organisation considering the highly competitive employment market. (Sullivan, 2004).

Employer Branding plays a significant role in attracting potential employees as also in retaining the talent pool of the organization. This factor becomes specifically relevant for family businesses, as there is a strong influence of family members being attracted and considered for critical roles in the organisation. It is a norm in most cases to seek internal candidates and, in most scenarios, once this talent pool is depleted, a compelling need for these family businesses to rely on non-family talent to perform, contribute and thrive arises (Pimentel, 2018).

Employer Branding comprises of actions that create the brand and how the organisation presents itself to the external and internal environment and enables the audience to evaluate them as an employer. When a candidate's needs, values and personality resonates with the organisation's portrayed image, it becomes attractive for the candidate and he is then willing to explore the opportunity offered (Backhaus & Tikoo, 2004).A well-defined and articulated employer image provides clarity and enables potential candidates to interpret the organization's values and seek resonance with the organizations offerings.

The person and organisation fit is undeniably compelling and has emerged as an effect of organisational attractiveness and how the organisation is able to position itself in the environment (Cable & Judge, 1996). Very similar to the marketing techniques of how the product brand attracts the shopper and he just feels tight about the product. The organisations branding strategy compels the candidate to know more and motivates them to identify and apply for the role.

It has been however observed that many Small and Medium businesses do not use and implement the employer branding concepts (Chaitra & Murthy, 2016).They often lack planned and well thought through hiring strategies and

also have to play with available limited resources in order to create a structured talent management process (Festing et al., 2013). SMEs therefore have a drawback of having a less known employer brand compared to larger organisations as well as having very little information for candidates who wish to understand more and analyse the opportunity the organisation wishes to offer (Krishnan and Scullion, 2017).

Competition with large firms

SMEs do not have the same strategic advantage as their larger, more established rivals when it comes to developing and carrying out structured Talent Management practises. Despite frequent mention of the topic in the academic community, owner-managers also appear to be unaware of the phrase and procedure of talent management. According to economic theories, the implementation of complex human resource practises cannot occur until acceptable economies of scale are established due to the accompanying transaction costs. Due to their lower production volume and fewer goods, SMEs are less cost-effective than larger companies (Nooteboom, 1993). Considering the diversity of SMEs, it is challenging to draw conclusions about and generalise their impact; however, because of their limited market presence, SMEs are more susceptible to pressure from competitors (Mayson & Barrett, 2006). As a result, they must concentrate on making better use of the resources they already have (Festing et al., 2013).

The talent acquisition situation is especially difficult for India's small and medium-sized business sector. For instance, there were 29.8 million small and medium-sized businesses in India in 2013 that employed 69 million people. These small businesses need to parallelly race with larger multinational organisations and other small and medium-sized businesses for skilled workers if they want to expand. Smaller organisations are more vulnerable in a dynamic and competitive environment than larger enterprises and lack the resources that multinationals have to conduct comprehensive and attractive recruitment efforts (Kaur & Sharma, 2015).

SMEs usually use an informal practice with a very leader or owner driven management style that build and scripts their organizational culture in

contrary to large organisations,. This unstructured and informal methodology to Talent Management consists of complicated organizational structures and does not reflect clarity in job roles and responsibilities (Mustafa et al., 2018). It becomes difficult for small businesses to compete with larger organisations' hiring offers. Pay and benefit packages, along with extras like a company car, make working for major corporations more appealing. Furthermore, employees perceive larger companies to be more progressive and reliable places to work than smaller ones.

In Small and Medium Enterprises, a specialized and dedicated marketing team may be absent, as opposed to larger firms. The marketing team strategically and efficiently help to provide a flexible response to changes in the communication processes when conditions change in the external business environment (Young & Spickett-Jones, 2022). The Human Resources function in SMEs is less formal when compared to larger organizations due to which these informal standards tend to influence the human resource management practices.

Since many SMEs lack dedicated HR departments and instead handle recruitment, performance reviews, training, and compensation through standard HR processes. These major processes are carried out by either owners or founders and therefore lack sufficient skills, capabilities and competencies to complete the HR processes. Implementing HR practises for large companies may necessitate organisational structure changes that may be too expensive for SME's (Patel & Cardon, 2010). Additionally, processes and interventions developed for large organizations may not be suitable for SMEs.

Lack of Retention Strategies

Lack of effective retention management strategies may result in losing valuable talent and transferring knowledge and capabilities to other organisations which eventually leads to creating a competitive disadvantage. Therefore organisations must create an environment where they are able to retain the critical talent. While creating a great place to work and dealing with and managing the employees is challenging for any organisations irrespective of the size, SMEs face distinctive challenges due to their scale and size

(Greening et al., 1996), specifically with respect to talent acquisition and retention which is fundamentally linked with the compensation and benefit package organisations are able to offer. Performance orientation, being led by a dynamic leader and management of resources form the core of all HR challenges faced by SME's and they will require to tackle this.

Fundamental problems of small enterprises are attracting, motivating and retaining talent. They do not possess the resources to publish positions and pay compensations equivalent to larger organisations and further train employees to meet the role requirement (Singh & Vohra, 2005). SMEs are of the view that HR processes and practices is not built for them and is unresponsive and not customised as their requirement. They also consider this to be an expensive affair for them to adapt. Generally SME's are started by single owners or entrepreneur or even a small group of people and managed by the owner largely (Ritchie, 2005). The structure is mostly flat. Many studies have highlighted the fact that most decisions and outcomes are influenced by the owner/founder and there is a large influence of their own personal culture and value systems along with their beliefs and attitude.

With an aim to develop and engage talent SME's largely adapt unstructured methodologies and random approaches to learning and find it challenging to adopt, formulate and implement a culminated formal and robust training solutions in their routine operations (Chung & D'Annunzio-Green, 2018) and SMEs can only offer very limited career progression path having only few positions within the firm (Chung & D'Annunzio-Green, 2018). They are unable to reduce attrition by offering a competitive work environment (Deery & Jago, 2015) Competitiveness in small firms SMEs can be enlarged by a thought through and well-formulated human resource (HR) practices encompassing talent acquisition, training and compensation.

The retention strategies in SME's change considering which stage the organisation is currently operating in and also the size of the organisation and very few SME's are able to invest in consistent retention strategies due to lack of resources and capability. "Three categories of TM approach is identified in SMEs: "highly engaged talent management" refers to organizations that

employ a variety of TM practices consistently; "reactive talent management" indicates companies that focus on HR planning with little investment in training and employee retention; "retention based talent management" defines companies that focus on training, development, succession, and career planning to prevent the turnover of valuable employees." (Festing et al.,2013)

Internal and Integrated Employer Branding Strategies
The two large facets of Employer Branding are: The attraction of new hires and the source of motivation for current employees to remain with the company for an extended length of time are the two main facets of employer branding. (Theurer et al., 2018; Deepa & Baral, 2019). As a result, both job seekers and the company's current employees are important participants in the employer branding process. Researchers have discovered a variety of internal branding initiatives aimed at staff members, such as team-building exercises. Internal correspondence Employee training and development; coaching; Internal recruitment System of individual performance evaluation.

For current employees, internal branding is mostly concerned with growth initiatives, creating a positive corporate culture, and creating a welcoming workplace (Stuss & Herdan, 2017). Organisations using an integrated approach to talent management have seen improvements in both attraction and retention rates as well as stronger financial performance. They are 18% more likely to be high-performing organisations and are 25% and 18% less likely, respectively, to struggle to attract and retain top performers. (C. Hathaway,2008)

A holistic and well formulated talent attraction and retention strategy encompasses the organization's values, its hiring strategy, learning and development, performance management, rewards and human capital metrics in order to constantly support the business strategy. The merits of having a well-defined talent management strategy can only be accomplished if all these processes and interventions are completely cohesive of each other. SME's often tend to adopt informal Talent attraction and retention strategies and practices and mostly do not have proper measuring mechanisms or follow ups post implementation. Employees look for constant communication and

awareness and lack of an organised and dedicated human resource function makes these objectives difficult to achieve. On an average most smaller companies focus and concentrate more on informal and high performance work culture and methodologies compared to larger companies. Their strategies are mostly as a response to a situation which is emergent rather than a structured approach making it deliberate.

Internal branding leads to many indicative outcomes in the behaviour and attitude of employees facilitating the relationship between the employee and the organisation and helping the employee to belong to the brand and the value system. Brand identification, brand commitment, and brand citizenship behaviour are three important results of internal branding that are frequently discussed in the literature (Asha & Jyothi, 2013).Other benefits of the internal employer branding strategy include job happiness and the aim to stick around and support the expansion and growth of the company.

Employee Value Proposition
The employee value proposition, or EVP, is the whole set of advantages and initiatives that the company provides in return for work. Today's organisations require many motivators in addition to monetary benefits. It might be acknowledgment, time, feedback, or ongoing education. It's clear that today's top talent responds well to several forms of interventions, support and encouragement. (Dearlove & Crainer ,2009)

EVP is a "package of reward features or employment advantages and benefits offered to employees" which is an integration of human resources and marketing techniques. (Barrow & Mosley, 2005) It's a kind of contract that outlines the benefits that an employer will provide to employees in exchange for their work. (Pawar, 2016). In exchange for employee contribution, knowledge, skills, talents, behaviours, time, and energy, an organisation offers a set of values. To attain the highest degree of employee satisfaction, the rewards that an employee receives must be commensurate with their commitment to the business. The idea of EVP aids businesses in motivating and retaining the employees. Employee productivity and loyalty are strongly

impacted by EVP, which also establishes the general consistency of communication and preserves a "give and receive" connection.

Regretfully, many SME's are unaware of the benefits of having a clearly defined EVP. While SMEs find it particularly difficult to attract and retain competent staff, creating a detailed EVP that aligns with the firm value system gives the organisation a clear path to follow.

Strategies for Adoption

Smaller business owners and founders may still have people management and development strategies in place even if they are not familiar with the notion of Talent Management or have not established TM practises. The research of D'Annunzio-Green (2008) & Valverde et al. (2013) provide ample examples of how beneficial talent management techniques may be, even when they occur in less formal settings. However, given that the concept of Talent Management needs to be modified for the settings of SMEs, it is perhaps expected that a proper and more systematic structure of Talent Management can lead to increased success of organisations. (Krishnan & Scullion, 2017). SME's can use a variety of tactics to get over the resource drawbacks mentioned above. To lessen ambiguity SME's could draw in important resources, such as knowledge during the early stages of the company's growth.

The environment of organisations in SME sector provides certain benefits that may aid in luring and retaining valuable and critical resources. SMEs can offer a creative atmosphere that fosters innovation and new ideas. (Zenger & Lazzarini, 2004). Research also highlights that there are several benefits for employees working in small and medium-sized enterprises (SMEs), such as higher job quality and reduced bureaucracy. (Storey et al., 2010), increased flexibility, an improved work environment, and a greater degree of informality in the workplace all contribute to increased job satisfaction (Dundon & Wilkinson, 2009).

SMEs could improve their growth and innovation strategies by employing creative methods to attract and target specialised talent from bigger, more established businesses. Utilising brand marketing, institutional connections,

and internet technology are additional strategies resource-constrained SMEs can use to connect with their target market. (Williamson et al., 2002).

Compared to large enterprises, SMEs can arrange their TM and HR procedures differently and more informally. (Storey et al., 2010). SMEs typically struggle to find talent. However, by pursuing unique practises, these difficulties can be overcome, and at the same time, their contextual attraction can be used to help develop talent within the company. Standardised approaches to TM might not be acceptable because SMEs have a wide range of management practises (Cassell et al., 2002). Businesses should implement TM strategies that are most appropriate for their industry, human resources, and target market.

In order to recruit and keep top workers, smaller organisations can consider offering a comprehensive range of benefits and incentives, rather than just a salary. One of their advantages is that they can accommodate individual needs, which can boost motivation and serve as a selling point for potential hires..

When it comes to luring and retaining employees, SMEs have a distinct advantage over larger businesses. The unique qualities of their workplace and the ease with which they can communicate with staff members make it simpler to communicate the company's culture and principles. Working for a small business gives one a feeling of "specialness," which is related to entrepreneurship and the niche markets that these businesses serve.

SMEs frequently create unique models of their own that work well in their particular setting. Small and medium-sized enterprises (SMEs) can leverage their creative thinking to access non-traditional recruitment channels that larger organisations overlook. This allows SMEs to find qualified candidates from diverse talent pools, such as hiring semi-retired persons with extensive expertise and experience. These people might be less impacted by issues of legitimacy and career advancement, and their non-traditional talent pool might help to partially offset their recruitment difficulties in other domains.

For SMEs, implementing formal HR procedures can be expensive (Mayson & Barrett, 2006). As a result, informal work practises could be more affordable options.

Conclusion

Considering the size, background and the fundamental characteristics of SME's, they operate in a different landscape compared to the larger organisations. With limited resources and evolving expectation of the modern workforce SME's are coping with many challenges in order to attract and retain talent management. It is evident that the road to talent management is not only recognising these challenges but also implementing proactive measures to address them efficiently. In spite of the challenges posed by SME's they are not only surviving but thriving by attempting to adopt various solutions to talent management.

A well-managed talent pool can provide a significant competitive advantage for MSMEs and also finding a balance between short-term talent needs and long-term talent development. MSMEs should aim to build a sustainable talent pipeline for the future. SME's must acknowledge that a strong employer brand can attract top talent, as prospective employees often research a company's reputation before applying.

While this chapter attempts to offers insights and strategies, it's important to acknowledge that talent management is an ongoing journey. Organisations must adapt to the changing dynamics of the talent market, recognizing that to attract and retain the best, they must offer more than just competitive compensation. As the business landscape evolves, MSMEs must remain agile, adapting their approaches to ensure their workforce continues to be a valuable asset. By doing so, they will not only meet the demands of the present but also be able to secure a prosperous and sustainable future.

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Chapter 7

UNLOCKING POTENTIAL: ENGAGING AND MANAGING TALENT IN THE GIG ECONOMY

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Abstract

The gig workforce has witnessed significant demand in the last decade, as workers are seeking more flexible work arrangements and organizations are looking for specialized skills on demand. This chapter explores the evolving roles of the gig workforce, their characteristics, their motivation to embrace gig work, and the organizational benefits of engaging the gig workforce. Many trials these workers face by the nature of work and the relationships with client organizations are deliberated. The purpose of this paper is to highlight the taxonomy of gig workers and the reasons for the boom in this industry. Furthermore, the article discusses a few cases exemplifying best organizational practices in nurturing engagement and talent amongst the gig workforce. Although India has always had a large informal sector, the advancement in technology to deliver these on-demand services has fast-tracked this trend, which has resulted in companies rethinking the very nature

of work. This paper, through case studies, highlights organizational practices used to engage gig workers.

Keywords: Gig Economy, Independent Workers, Engaging Gig workers, skilled workforce

Introduction

According to a Niti Aayog[1] report, in India, in 2020-21, 77 lakh (7.7 million) workers were engaged in the gig economy, and the gig workforce is expected to expand to 2.35 crore (23.5 million) workers by 2029-30. A Forbes article by Wilson, N. (2023), as per U.S. Bureau of Labor Statistics numbers claims that 36 percent of U.S workers can be termed as outworkers or autonomous workers and that at its current rate of growth, more than half of the labor force will be part of the U.S. gig economy by 2027.

Gig culture, characterized by temporary, task-based jobs sometimes facilitated through digital platforms, has witnessed an unprecedented surge in recent years. The upsurge in the gig workforce has resulted in a paradigm shift in the nature of work, challenging traditional employment structures and giving rise to a diverse and dynamic environment of independent and contingent employment. As a critical force in the contemporary labor market, these workers, often referred to as freelancers or independent contractors, play an important part in shaping the future of work. With this growing importance worldwide, academics, industry experts, and governments are attempting to understand the nature of gig work, its growing need and influence as well as engagement and total rewards models. For example, the Indian government is talking about accelerating access to finance, skill development, enhancing social inclusion, and providing social security for gig & platform workers in India. The US government, on the other hand, is focusing on clearer demarcation between gig workers and employees through various

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[1] Source: https://www.niti.gov.in/sites/default/files/2022-06/Policy_Brief_India%27s_Booming_Gig_and_Platform_Economy_27062022.pdf downloaded on November 8, 2023

legislations[2]. These interventions are complemented by various initiatives that organizations are trying to get right for their gig workforce.

Keeping in mind the growing discourse, this chapter will examine the diverse ways in which gig workers structure their relationships with clients and platforms, the motivations that drive their choices, and the organizational efforts and interventions to engage the gig workforce. Moreover, as the demand for gig workers continues to redefine the contours of modern work profiles, it becomes crucial for scholars, policymakers, and industry stakeholders to understand the intricacies of gig workers' engagement. By unraveling the nuances of these models, this chapter aims to contribute knowledge that can elucidate organizational strategies, and academic discourse, fostering a deeper understanding of the unique labor pool of the 21st century.

LITERATURE REVIEW

The rise and proliferation of the gig workforce have prompted a surge in academia surrounding the dynamics of gig work, particularly in understanding how gig workers engage with their tasks, clients, and the platforms that facilitate their employment. This literature review synthesizes existing research to provide a complete synopsis of the various models of engagement for gig workers, revealing the intricate relationships as well as the challenges inherent in this evolving employment landscape.

Taxonomy of Gig Workers

A McKinsey study by Manyika, Lund, Bughin, Robinson, & Mahajan, (2016) classifies gig workers into four key sections of autonomous workers depending on whether they derive their primary living from gig work or whether they practice it for supplemental income and whether they are autonomous by choice or due to economic inevitability. This classification creates four categories:

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[2] Source: https://timesofindia.indiatimes.com/blogs/niveditas-musings-on-tech-policy/gig-workers-rights-a-us-india-comparative-based-on-recent-developments/ downloaded on November 8, 2023

- Gig workers who earn their main income from freelance work and by choice.

- Those who choose to do autonomous work for incremental income. Some have a 9-5 job, while others are students, retirees, or caregivers.

- Gig workers who reluctantly receive their main income from autonomous work, though ideally would have wanted a 9-5 job.

- The financially deprived do freelance work for supplemental wages, but they would have ideally wanted to stick to their traditional job.

- A BCG India report by Augustinraj, Jain & Bansal (2021). classifies the gig workers into eight categories based on three parameters: contribution to household income, skill level, and life stage:

- Professionals: Professions such as salon-related, cooking, or teaching to name a few. Workers select jobs depending on flexibility, location, and safety. It aids in their personality development.

- Ambitious Business-minded individuals: These workers do mechanical work, say mechanic, technician, carpenter, electrician. They have faith in their expertise and they look out for new job opportunities to master their skill sets while handling their current assignments.

- Striving Hustlers: These types of workers are determined to make a career in their current field of work. They include Data entry operators, tele-callers, or insurance agents. They seek growth in their knowledge, expertise, and career path.

- Optimistic Balancers: These workers include your blue-collared workforce like Cab drivers and auto drivers. They rely on decent wages, and other benefits like insurance, also motivate them.

- Secondary Earners: These workers want to contribute towards family expenses and savings. Their main criteria are flexibility and a workplace in the vicinity. These types of workers include domestic help and healthcare workers.

- Low-income class: These workers are the sole breadwinners of their families. Due to low skill sets and not much education, they take up jobs like food delivery agents to ensure a steady source of income for their families.

- Earn to Spend: These workers do not need to contribute towards household expenses. They are earning to spend it on themselves. For example, students work as data entry operators. They are mainly driven by flexibility, adding assignments undertaken on their resume, and personality development.

- GenZ: These students not only take responsibility for their expenses, but they contribute towards household expenses as well.

Academic scholars have sought to categorize gig workers based on their employment arrangements. Katz and Krueger (2019) distinguish between independent contractors, who operate as their own business entities, freelancers engaged in project-based work, and platform workers reliant on digital platforms for task allocation.

Let us discuss the multiple reasons for the emergence of gig workers in the next section.

Reasons for the Boom in the Gig Culture

Technological: As per De Stefano (2016) the gig economy has seen a rise due to technological developments. The availability of the Internet to billions of people has resulted in a wide range of employment profiles. Gig workers consist both of workers who work through platforms but deliver locally geographically and of workers who work on platforms that enable remote working. Examples of local gig workers include Uber, Swiggy, etc., while remote gig work can include a plethora of work consisting of data entry or program software.

Economy and Changing Psychological Contracts: Changes in the economy, such as the financial crisis of 2008, have resulted in employment insecurity and a need for alternate sources of income. People can augment their income

or seek alternate jobs due to the gig workforce. Through freelancing, people can operate as micro-entrepreneurs by transacting with clients directly for their skills and services. For individuals who aspire to manage their workload and possibly launch their own companies, this entrepreneurial feature may be welcoming. Many gig workers may also possess specialized skills that are in high demand.

Changing Worker Preferences: Changing demographics, including an increase in freelancers, part-time workers, and individuals seeking non-traditional employment arrangements, have contributed to the rise in the demand for the gig workforce. Contemporary workers frequently place a high value on work-life balance and flexibility (Kelliher, Richardson & Boiarintseva, 2019). People can take on several gigs or employment at once, which offers higher flexibility and a diverse work atmosphere. Gig workers can select when, where, and how much they are willing to work, providing a level of autonomy that may be lacking in traditional employment models.

Cost-effective for organizations: Many organizations prefer to get the job done through gig workers, rather than employees on their payroll. This enables them to avoid paying entitlements or benefits normally paid to full-time employees. Companies and individuals can access specific skills on a short-term basis without the need for long-term employment contracts.

Challenges Faced by Gig Workers
Gig workers deal with difficulties that are not the same as those faced in organizations by full-time workers in terms of nature or severity. For instance, workers are employed by an organization to perform a continuous range of duties grouped into jobs. The worker completes a task without giving any thought to where they will find the next one. Gig workers, on the other hand, are responsible for finding new gigs while completing ongoing work. They may also not have job security or long-term contracts and can be subject to the whims of market demand and the availability of gigs, leading to uncertainty about future work opportunities. Not only that but professional development opportunities and training are typically the responsibility of gig workers

themselves. Without employer-sponsored training programs, gig workers may find it challenging to upgrade their skills and stay competitive.

There are various ways in which workers can assess their expertise in a service deliverable, for instance, customer ratings and comments provided by consumers about their experience. The feedback, though directly communicated to the firm; is also available online on a public forum for other potential consumers to review before booking any service. While the transparency and promptness of feedback assist the gig workers in getting additional work, it can at times be stressful for them too.

Gig workers characteristically do not get customary employment perks for example insurance, or retirement requirements. This absence of benefits can have a bearing on their economic safety and their overall well-being. Many independent labors work on their own without much interaction with others. which can result in feeling isolated and lonely. The non-availability of a traditional workplace atmosphere limits social interactions and networking opportunities. The career progression is not linear and the lack of a clear career path or advancement opportunities is a challenge for gig workers. Traditional employment structures often offer a more defined trajectory for career growth.

Many workers who rely on multiple gigs to make ends meet, may face the risk of overworking to meet financial goals. This can lead to exhaustion and negatively affect their health. Constant connectivity and reliance on digital platforms may cause digital fatigue. The boundary between work and personal life can blur, contributing to stress and mental health issues. They assume the entire financial risk associated with their labor. They are likely to be stressed as they maintain their financial stability, develop a distinct professional identity, try to upskill, navigate an uncertain career path, and handle emotional and relational upheaval.

Having understood the difficulties the gig workers encounter, in the next section, we try to understand some of the unique ways in which organizations are managing gig talent and enhancing engagement amongst them.

CASE STUDIES OF MANAGING AND ENGAGING THE GIG TALENT
Uber

Krishnan, Jain, & Rungta (2018) in their study of incentive systems for UBER drivers indicated that there were a few practices pertaining to incentives by Uber that had led to irrational expectations by the Uber partners. In a quest to increase revenue and market share, Uber had taken the approach of giving large incentives to scale the driver base and at the same time provided discounts/promotions to customers which had led to unsustainable growth. To create a more sustainable business and one which also fulfills the needs of its Uber partners the authors recommended certain rewards which would help Uber be a better partner for its drivers.

- Communication: Uber should create a robust communication plan to ensure that there is no expectation mismatch between the Uber partners and Uber. The various filters and checks pertaining to incentives should be clarified early on. They could also do monthly/quarterly training sessions where Uber partners could learn more about the system and new updates related to it. This would also ensure that there are no anecdotal data, or rumors spreading generating confusion.

- Outcome-behaviour incentive structure: Uber should move from a purely outcome-based incentive to a mixed outcome-behaviour incentive structure. This would ensure that the quality of the service remains at the top and thus strengthen the customer base. They suggested that a percentage of incentives should be based on customer feedback (not the rating but the appreciation options like *smooth rides*) and the remaining should be outcome-based like the number of trips in a day and week.

- Benefits: Uber should transition from a transactional relationship to a more meaningful one and extend benefits to Uber partners. Though Uber partners are associated with Uber, they are not on their payroll and hence are not eligible for benefits. However, going beyond the statutory requirements, Uber should extend benefits like personal health coverage, EMI (Equated monthly installment), assistance, and

recognition in the form of trophies or medals that could be displayed in the cab.

- Corrections in the business model: The Owner partner business model was introduced in India to overcome the challenge of the high cost of capital in India. As the incentives were high, the return on capital employed by driver-partners was higher than for other instruments of investment. Therefore, many people with capital availability bought many cars and employed drivers. But this model became unviable later with a changed pay mix (10% by incentive and 90% through completion of trips) used by Uber. Hence, this model should not be encouraged anymore as a greater churn in these partners due to non-profitability throws a bad light on the organization and the engagement levels of other Uber partners.

- Considerations: Uber should consider factors like traffic in peak time and peak areas as a constraint in completing the target trips for incentives. This would ensure that more drivers become eligible for incentives and give true worth for the time that driver spends online.

Swiggy

Upon evaluating a restaurant partner's[3] growth journey, Swiggy's learning and development team discovered certain gaps that might impede the partner's advancement. To promote the growth of their delivery executives, they introduced an educational initiative on the Delivery Executive app. They also noticed that the restaurant partners could benefit from the development of an interactive learning self-serve model.

During their investigation, they realized that cancellations driven by restaurants (RDC) were a hindrance. RDC was one of the parameters where they were having trouble with in their initial phase. Due to cancellations made by restaurants due to various reasons, customers would tend to lose faith in Swiggy. They discovered that many partners, particularly in the North cluster,

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[3]Source: https://blog.swiggy.com/2023/09/12/heres-how-swiggys-new-learning-tool-is-helping-its-restaurant-partners-grow/ Accessed November 12, 2023.

had problems with this. Thus, the team set out to produce content in a number of regional languages in order to inform the partner about ways to prevent RDC. This modest action turned out to be very beneficial because they saw restaurants genuinely improving on this metric. Once they began consuming this content, those who had previously defaulted were starting to see better results.

The endeavor was to improve Swiggy's relationship with our restaurant partners at every stage of their business, from handholding a new partner in the beginning to educating them about new features and procedures. At every level of their business, from welcoming a new partner at the outset to teaching them about new policies and features, the goal was to establish an ongoing process that aids in the partners' learning and growth.

Hindustan Unilever (HUL)
HUL has introduced unique employment arrangements:
In India, Hindustan Unilever Limited has presented unique employment options that change the dynamics of employer-employee relations. It has introduced two models that provide flexibility as well as benefit the payroll employees and the gig workers.[4]

U-Work: Under this scheme, HUL employees can opt to work in a flexible manner, earning perks along the way. This can cover about 8000 office-based employees. The staff will have to work at least six weeks of work in a year, choosing their own assignments.

Open2U: Being empathetic towards the challenges faced by the gig community, Hindustan Unilever has launched the Open2U program offering both Flexibility and Security[5]. The workers will have a choice in the selection

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[4] Source: https://timesofindia.indiatimes.com/business/india-business/flexi-sop-safety-net-for-staff-gig-workers-hul/articleshow/88196159.cms Accessed November 12, 2023.
[5] Source:https://careers.unilever.com/open2u#:~:text=Therefore%2C%20Hindustan%20Unilever's%20Open2U%20program,to%20those%20of%20an%20employee.

of their desired work schedule; while being compensated similarly to a payroll employee.

The unique features of the model are:

Strategic Projects: Open2U offers tactical projects that need consultants to bring in domain expertise.

Fair Pay Packages: Open2U offers viable and structured pay which includes prospects for performance bonuses.

Flexibility: These consultants can choose their work arrangements to their liking, for example, location or number of hours.

Career Progression: These workers will have learning opportunities to develop their skills and build a robust career for themselves.

Medical Benefits: Perks like insurance for medical expenses will be provided to these consultants.

CONCLUSION

The emerging arena of gig work is reshaping traditional notions of employment and challenging established definitions of the workforce. The chapter has delved into the multifaceted nature of gig workers, exploring the motives for the evolution of the gig economy, motivations, along with the evolving relationship between employers and this dynamic labor force. As new technological developments take shape and the gig economy expands, it is crucial for businesses and policymakers to adapt as well as establish frameworks that ensure fair treatment, benefits, and protections for gig workers.

Organizations like Swiggy and Unilever are at the forefront of engaging with the gig workforce in innovative ways. Swiggy, a food delivery platform, recognizes the importance of nurturing a sense of community among them. The company has implemented incentive programs, skill development

initiatives, and support systems to enhance the overall well-being of its delivery partners.

Similarly, Unilever has embraced gig workers leveraging their flexibility to meet fluctuating demand. The company is investing in training programs and creating innovative rewards for its gig workers. It is also trying to enhance communication and collaboration between traditional employees and gig workers, creating a more integrated and responsive workforce.

In essence, the evolving definition and use of gig workers present both challenges and opportunities. Companies that proactively engage with and support their gig workforce are likely to thrive in this dynamic landscape, fostering a symbiotic relationship that benefits both parties in the ever-evolving world of work.

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Chapter 8

EMPLOYEE VOICE: A CASE OF A FINTECH ORGANIZATION

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Abstract

This research examines the dynamics of employee voice in an Indian Fintech sector. The aim is to comprehend the tangible complexities and challenges experienced by employees. The study delves into the extent to which employees are inclined to utilize both formal and informal channels to communicate their perspectives within the workplace. Employing an interpretive approach, the study conducted standardized open-ended focus group interviews from employees in a large Fintech organization. Participants, selected through stratified and deliberate sampling, offered diverse perspectives. Interview questions covered aspects of work engagement, motivation, team dynamics, and organizational advocacy, and included follow-up queries to ensure depth and clarity.

This in-depth qualitative analysis resulted into significant themes. These findings provided a nuanced understanding of employee perspectives; emphasizing areas like work-life balance, well- being support, performance feedback, and organizational communication. The themes and parameters identified served as key indicators, shaping the foundation for targeted recommendations. The study contributes insights into ways by which leaders can understand and engage the talent. Recommendations include improved learning and development, increased inter-departmental interaction, market-correction in pay structures, and better recognition for high performers.

Keywords: Employee voice, Fintech sector, Self Determination Theory, Focus group interviews, Talent engagement

Introduction

As of the first half of 2023, the fintech sector in India is positioned as the third-highest funded globally, following the US and the UK in funding. Fintech players in India are strategically exploring diverse opportunities within the cross-border payments market, with a specific focus on verticals such as travel, e-commerce, and remittances. India, with a transaction value surpassing $100 billion in personal remittances and a recorded global trade worth over $1.4 trillion in FY22, emerges as a thriving hub for cross-border transactions. The potential for high growth presents a lucrative opportunity for fintech players to meet the escalating demands of customers seeking efficient payment solutions in this dynamic market.

The financial services and banking sectors face significant challenges in talent engagement. Consequently, when benchmarked against other industries, this sector grapples with elevated rates of customer churn, frequent turnover, absenteeism, and diminished levels of employee engagement. In essence, employee disengagement poses the most detrimental impact on the financial and banking industry. The concept of employee voice holds particular significance in the Financial and banking sector. The financial industry is redefining traditional financial services through the integration of cutting-edge technologies such as blockchain, artificial intelligence, and mobile applications. As these companies strive to stay ahead in a rapidly evolving

landscape, they face unique talent management challenges. The fast-paced nature of technological advancements in the financial sector necessitates continuous learning and adaptation, posing challenges for talent development and retention. Employees in the fintech sector often grapple with substantial pressure, as indicated by the attrition rate of 27.4% (Shukla, 2022). This pressure is further compounded by the significant impact of regulators, necessitating heightened awareness and adherence to regulatory requirements and adding a layer of complexity to their roles. (Anagnostopoulos, 2018; Fenwick, & Vermeulen, 2020). Successful talent management strategies in the financial sector must focus on attracting and nurturing individuals to maintain a competitive edge.

Given the highly regulated nature of financial institutions, providing avenues for employee input becomes essential for maintaining transparency and ethical practices. Employee voice is crucial for fostering a healthy organizational culture and ensuring effective communication. It involves creating mechanisms for staff to express their ideas, concerns, and feedback regarding organizational policies, risk management, and customer interactions. This not only empowers employees but also contributes to the overall resilience and adaptability of financial institutions in a rapidly changing market. Encouraging employee voice in this sector can lead to improved decision-making processes, enhanced risk management strategies, and the development of innovative solutions to address industry challenges. As the financial landscape continues to evolve, prioritizing employee voice becomes integral to creating a workplace that values diverse perspectives and remains responsive to both internal and external dynamics.

Traditionally, the representation of employees' voices has been represented through collective bargaining and union representations. In the knowledge economy one finds such representation non-unionized and direct form of voice has gained momentum (Bryson et al, 2006). The direct representation of employee voice has been considered superior as it allows the expressions of employees need and concerns and removes the barriers between employers and employees leading to talent engagement (Rees, et al. 2013). There seems to be an increasing acknowledgment of academic backing for the advantages of a

committed workforce. Workers who exhibit higher levels of engagement with their tasks are purportedly more inclined to demonstrate positive and collaborative behaviors, ultimately benefiting both the organization and the individuals involved (Salanova & Schaufeli, 2008). Rees et al (2013) citing the work of Batt, Colvin, and Keefe (2002), mentioned that employees who perceived voice mechanisms as more effective were more inclined to express their own opinions and ideas. "The employees' perceptions of voice, rather than the mere existence or characteristics of a voice mechanism, will play a crucial role in determining whether they will attempt to communicate their concerns to management, choose to remain silent, or decide to exit the organization (Benson and Brown 2010, p. 82)."

Conceptualizing Employee Voice in Fintech

Employee Voice pertains to the avenue through which employees articulate their viewpoints, apprehensions, and recommendations and the ability of employees "to have a say" within the organizational framework (Morrison, 2014; Wilkinson et al., 2014, p.5). Employee voice serves as a valuable instrument for communicating potential issues and challenges to top management, with the aim of enhancing overall organizational performance. When utilized positively, employee voice represents a constructive and vital work behavior. Employees engage in conversations with their immediate supervisors within the hierarchy, addressing work-related concerns to instigate positive changes in the work environment, as outlined by Morrison (2011).

Mowbray et al (2021), in their study on High-performance work systems and employee voice behaviour recognizes employee voice as a fundamental element of High-Performance Work Systems. This recognition is founded on the principle that affording employees the opportunity to participate in decision-making processes positively influences organizational performance. The researchers further express that the provision of voice opportunities for employees is insufficient on its own to drive performance. Instead, a combination of HR practices, as outlined by MacDuffie (1995), is crucial. These practices encompass measures that enhance abilities, such as selective recruitment and extensive training, alongside strategies that boost motivation,

including performance-related pay, rewards, merit-based promotion systems, and appraisals. When integrated with voice opportunities facilitated through empowerment programs, formal participation initiatives, and regular information sharing, these practices collectively form the Ability, Motivation, and Opportunity (AMO) framework. This framework aims to elevate employees' knowledge, skills, and abilities, leading to subsequent improvements in performance, as emphasized by Appelbaum et al. (2013), Jiang et al. (2012).

Several factors influence the likelihood and effectiveness of employee voice in fintech organizations. Research indicates that organizational culture, leadership style, and the perceived psychological safety within the workplace, managerial behaviour and attitudes, power, authority, and communication play pivotal roles (Platt and Saundry 2017; Tabrizi, 2015; Greene & Kirton, 2010; Gennard et al., 2016; Purcell, 2014). According to these researchers, the organizations face a core issue wherein line managers lack the necessary skills and knowledge in human resource management, making it genuinely challenging them to effectively listen to employees. The burden of their responsibilities often overwhelms them, leading to a neglect of employee voice.

Fintech firms that foster a culture of openness, encourage diverse perspectives, and provide platforms for expression are more likely to witness increased employee voice (Fenwick and Vermeulen 2020). Transformational Leadership style promotes employee voice by focusing on employee's promotion, role breath self-efficacy and affective commitment (Zhang and Inness, 2019). Empirical studies in the fintech domain suggest a positive relationship between employee voice and various organizational outcomes. Enhanced employee voice has been associated with increased job satisfaction, organizational commitment, and overall employee well-being.

While the benefits of employee voice are evident, challenges and barriers exist within the fintech sector. High-pressure environments, the need for rapid decision-making, and concerns about job security may inhibit employees from expressing their opinions freely. Additionally, the hierarchical structures

inherent in some fintech organizations may pose challenges to effective communication channels (Mosteanu, 2020). Understanding and addressing these barriers is crucial for cultivating a culture that encourages and values employee voice.

Within an organizational context, a study on employee voice in financial organizations is crucial for a nuanced understanding of how employees express themselves within the complex dynamics of the financial sector. A considerable body of quantitative data has emerged, predominantly centered on managerial viewpoints regarding employee engagement. However, many people argue that we need more detailed information, like stories and experiences, to understand how methods without labor unions really work. Beyond quantitative data, qualitative research provides insights into the intricacies of employee experiences channeling into enhanced employee voice (Platt & Sundray, 2017).

Keeping these intricacies in mind, a comprehensive study was conducted among employees of one such fintech company in India to gain deeper insights into the real-life complexities and challenges faced by employees. It explores the extent to which employees are inclined to utilize both formal and informal channels to articulate their perspectives within the workplace.

Theoretical Underpinning for Employee Voice

Self-determination theory provides a theoretical foundation to understand the relationship between individual and social environment, and it is an important mechanism to explain the manifestation of employee conduct (Deci & Ryan, 2000; Graves et al., 2013). Several studies have successfully employed SDT to examine the relationship between motivation and various workplace behaviors, including employee voice (Zhao et al 2023; Kao et al 2021). Autonomy, as emphasized in SDT, is particularly relevant in understanding how employees' sense of independence and control over their work impacts their willingness to voice concerns or contribute suggestions ((Deci & Ryan, 2008). Employees who perceive that their input is valued and that they have the autonomy to express their opinions are more likely to engage in proactive communication. This aligns with the SDT tenet that individuals are inherently

motivated to seek opportunities for self-expression and input. Competence, another key element of SDT, sheds light on how employees' perceived capability and confidence in their skills influence their engagement in voice behaviors. Additionally, the relatedness aspect of SDT helps explore how employees' sense of connection and belonging within the organization affects their likelihood of expressing their thoughts. Study by Zhao et al (2023) utilizing SDT as a theoretical model showed the significance of socially responsible human resource management influencing employee voice via autonomous and controlled motivation. Kao et al (2021) in their study found the positive relationship between job autonomy and voice behavior through work engagement. Research within the SDT lens reveals that organizations fostering a culture of autonomy in decision-making tend to witness increased levels of employee voice (Klotz et al., 2017).

We propose that employee voice is connected with autonomy for decisions, work motivation and feeling competent at the workplace. Self Determination theory postulates that in order maintain engaged talent in the organization the presence of these three psychosocial factors are important (Deci & Ryan, 2000).

SDT also highlights the importance of a supportive interpersonal context. We propose that the social context of team acceptance is important for the study. That is if team members support each other and have a sense of belonging it will satisfy the need for relatedness thus nurturing the intrinsic motivation for voice behavior.

SDT's emphasis on autonomy and relatedness is consistent with psychological contract theory. According to Rousseau(1995), psychological contract is about implied beliefs about the exchange of promises and commitments within a relationship.

The concept of a psychological contract is rooted in implicit beliefs regarding the promises and commitments exchanged within a relationship (Rousseau, 1995). Psychological contracts seen as informal and rely upon the interpretation of other members attitudes and behavior (Salin & Notelaers, 2017). Another aspect of psychological contract is expectations regarding

"acceptable" workplace environment. Employees' expectation of safe work environment and their treatment with dignity is important for employee engagement and positive voice behaviour (Salin & Notelaers, 2017). Hence, we postulate that employees are motivated when they believe that there is a fair exchange of efforts and rewards inside the firm, which contributes to organizational engagement. The strength of the psychological contract and organizational support influence advocacy, which supports SDT's concepts of autonomy and relatedness within the organizational setting.

Methodology

This segment will explore the selection and rationale behind the chosen research design and methodologies. Initially, the underlying philosophies shaping the research will be elucidated, followed by a critical examination of study constraints, reliability, and validity will be undertaken. Thirdly, ethical considerations will be acknowledged, and precautionary measures to safeguard participants will be deliberated.

Research Philosophy

An interpretivist approach was employed as the chosen epistemology. Interpretivism aims to elucidate and comprehend the meaning of phenomena rather than focusing solely on their frequency (Maanen, 1983). This approach served the purpose of the study. As outlined by Miles and Huberman (1994), the ontology chosen was 'subjective.' As per Miles and Huberman (1994), embracing subjectivity facilitates diverse range of interpretations and exploration of multiple realities. This approach empowered the researchers to delve into the individual sentiments of employees, proving insightful in comprehending motivational attitudes and behaviors related to the utilization of voice mechanisms. This subjective stance greatly supported the overall research process.

Depending on the researcher's level of familiarity with a certain methodology, qualitative research design can be challenging. Interviews offer comprehensive insights into the perspectives and experiences of interviewees regarding a specific subject. According to Gall, Gall and Borg(2003) there are three formats of interview designs, Informal conversational interview, general

interview and standardized open ended interview. Since the open-ended questions in standardized open-ended interviews allow participants to freely share their opinions and experiences, it is the most common questioning method used in research investigations.

The use of standardized open-ended interviews is consistent with Glaser and Strauss' grounded theory, which emphasizes the significance of collecting rich, unstructured data to extract significant insights (Yu et al. 2011). Additionally, Creswell's (2007) qualitative research design principles promote the adaptability of standardized open-ended interviews, allowing for in-depth examination of specific areas of employee engagement. These interviews' adaptation to the fintech context coincides with Basias and Pollalis (2018) proposal to modify research methodologies to the industry's particular difficulties and prospects. Overall, including these researchers' concepts into standardized open-ended interviews improves the methodological rigor and applicability of the research to the complexities of employee engagement in the Fintech sector.

Hence, to understand the Voice of Employees at a fintech organization researchers used the standardized open – ended interview format in focus groups to collect the qualitative data and analyze. Focus groups prove valuable for eliciting information concerning collective perspectives and the underlying meanings associated with those views.

Preparation for the interview:
Turner III and Schmidt (2022), in their paper on Qualitative interview design, quotes McNamara's idea on the significance of the preparatory phase in conducting interview for research study. The preparatory phase requires conditions of peaceful environment, clear objectives, confidentiality, structured format, specified duration of interview, follow up, pre-interviews queries and recording information objectively.

To understand Employee Engagement, the researchers initially conducted the first interview on the office premises, but the results fell short of expectations.

Employees were hesitant to raise their concerns and discuss the issues they faced.

As one interviewee expressed, "I don't see a point in this exercise; nobody will feel comfortable or confident talking about their issues."

Consequently, the researchers decided to shift to an online mode for interviews, allowing employees to keep their cameras off for added comfort and to provide more candid and genuine responses.

Participants Selection

The participants belonged to one large size fintech organization in Mumbai, India. The stratified sampling method was followed. Treiman et al. (2012) stressed the significance of this strategy in meeting the requirement for representation across varied population groups. Hence, ten focus group interviews with ten participants each were done from various employment level groups. Maintaining a 60:40 gender ratio. Researchers also followed deliberate sampling, as it aligns with the principles discussed by Yin (2009), emphasizing the intentional selection of participants based on specific criteria relevant to the research objectives. Hence, to ensure that employees feel free and confident in their answers and can be as candid as possible, it was a deliberate decision to ensure that supervisors or line managers were not placed in the same groups as their subordinates.

Construction of Interview Questions

Creating a good research question cannot be overstated. They serve as the foundation of a robust research study, guiding the entire research process, ensuring relevance, and contributing to the advancement of knowledge. The theories and insights from researchers like Creswell (2007) underscore the critical role that well-formulated research questions play in the success and impact of research endeavors. Creswell(2007) argues that asking specific and targeted research questions not only shapes the course of data gathering but also keeps the study from becoming too broad or confusing. These questions support a more manageable and purposeful research attempt by restricting the area of the examination. Questions were framed keeping in mind the

objective of the study, avoiding leading questions, asking one question at a time, concise questions with clarity and open-ended .

Keeping all the Factors in mind following questions were drafted to understand the Voice of Employee in a Fintech Organization:

Work Engagement:

- How would you rate the overall workplace environment at the organization in terms of fairness and equity for all employees?

- Can you provide specific examples or experiences that contribute to your assessment?

Motivation and Immersion:

- In your role, do you find opportunities for personal growth, such as acquiring new skills and taking on additional responsibilities beyond your regular tasks?

- Could you share an instance where you felt particularly engaged in your work, contributing to your professional development?

Team Engagement and Acceptance:

- Describe your experience working with your team. How do you perceive the level of collaboration, communication, and mutual support within your team?

- Additionally, do you feel adequately informed and able to understand the reasons behind the changes when the organization implements them?"

Organizational Engagement and Advocacy:

- On a scale of 0-10, how likely are you to recommend the organization to your family and friends based on your overall experience?

- What specific aspects of the organization as an employer contribute to your rating, and are there any areas you think could be improved to enhance the overall experience?

Follow up Questions:

Respondents may not always provide accurate or complete information during surveys due to memory limitations, retrieval difficulties, or communication issues. Hence, keeping follow-up flexible with research related questions can come in handy. Creswell (2007) emphasizes the importance of follow-up questions in ensuring clarity, depth, and richness in qualitative data collection. According to him, these questions allow researchers to delve deeper into participants' responses, uncovering nuanced insights, and facilitating a more comprehensive understanding of the phenomena under investigation.

Hence, to understand the Voice of the Employee at a FinTech organization, the researchers utilized Creswell's theory, ensuring that interviewees stay on topic and that correct, clear answers can be recorded during the interview process. This approach helped the researchers ensure that the responses are both relevant and honest.

Implementation of the interview

This prompted a transition to an online mode for further interviews. This shift in platform facilitated greater openness and candor in employee responses. The virtual environment allowed employees to voice their concerns without fear, and they were prompt in sharing their thoughts, concerns, and recommendations. The average duration of each focus group interview was 40 minutes.

Results and Data Interpretation

The final step involved interpreting the gathered data, aiming to make sense of the information and organize it into themes or codes. These themes or codes represented consistent phrases, expressions, or ideas common among the research participants. Response analysis resulted into both themes related to predetermined factors and few new themes. Based on predetermined factors

the themes were team engagement and acceptance, work engagement, organizational engagement and employee motivation.

Team engagement and acceptance:

- Employees voiced the need for transparency in the organization,

- Acceptance of the availability of senior in time of need.

Work engagement:

- The voice related to work engagement theme had both positive and negative concerns. One of the voices raised, "working on weekends tends to get in the way" whereas employees also found the support in training from immediate superiors. Employees appreciated the mentoring provided by superiors.

- Employees underscored the regular practice related to timely and informal feedback.

- Expressed the need for the feedback derived from critical incidents.

Organizational engagement and advocacy:

- Employees appreciated equal treatment, awareness about organizations expectation and advocated organization's practices in certain areas.

Employee motivation:

- This was mixed with both positive and negative views. Many voiced against the experiences of personal growth.

- The opportunities for upgrading skills were found to be minimal.

Further analysis led to establish new parameters to group the responses; this was due to the subjective nature of the responses. These new parameters included Communication and Transparency, Compensation and Benefits, Employee Onboarding, Employee Wellness and Benefits, Learning and Development, and Peer Learning.

Communication and Transparency:

- Concerns related to performance feedback, coaching, and transparency were evident in the responses.

- There were calls for transparent HR practices, reinstatement of town hall meetings, and improvements in new employee induction processes to enhance understanding of organizational expectations.

- Transparency and communication within the organization emerged as critical themes, with participants expressing the need for town halls and better communication within departments.

Compensation and Benefits:

- Participants suggested the need for increased coverage amounts and enhanced mental health facilities, emphasizing the importance of addressing holistic well-being.

- The absence of corporate discounts or loan facilities, retention bonuses for new talent, and suggestions for improving investment awareness among employees underscored the multifaceted nature of employee support and benefits.

- Respondents also stressed the need for market correction in pay structure, citing this as the primary reason behind the organization's high early attrition.

Employee Onboarding:

- Calls for reinstatement of town hall meetings, mentorship programs, and offline induction programs were made to enhance interdepartmental interactions.

Employee Wellness and Benefits:

- Employee well-being was a prominent theme, with acknowledgment of existing good medical programs.

- Participants expressed concerns about the withdrawal of work from home (WFH) privileges for non-critical departments and the intrusive nature of remote work, highlighting the importance of flexibility and balance in the work environment.

Learning and Development:

- The themes of personal growth and opportunities for advancement highlighted the importance of continuous learning and career development.

- Participants noted positive aspects such as good leadership, mentorship, and opportunities for skill upgrading. However, there were suggestions for separate external training from working hours.

Peer Learning:

- Participants noted positive aspects such as good leadership, mentorship, and opportunities for skill upgrading. However, there were suggestions for more transparent HR practices.

- The interpretation of the responses revealed a complex tapestry of employee experiences at the organization, encompassing work-life balance, well-being support, performance feedback, career growth, transparency, and organizational communication. These insights provided a foundation for formulating targeted recommendations to enhance the overall employee experience and address specific challenges identified during the interview process.

Improved Learning and Devlopment in core financial areas that could help employees progress in their field. The survey respondents particularly showed an affinity towards external training that took place within working hours.

Organize avenues for increased inter-departmental interaction such as frequent town halls and interdepartmental onboarding activities. This was

stressed by multiple respondents who felt that this would improve each employee's sense of organizational awareness and importance to the overall working of the firm.

The need for gradual Market Correction was sorely felt in terms of pay structure to reduce the burden on middle management who were mainly responsible for training and mentorship of new employees. Additionally, respondents also felt the need for increased recognition given to high performers across all departments.

Channels of communication

The response from the focus groups highlighted the necessity for the existence of a more organized and formal communication channel for expressing their voices. Townhall meetings were emphasized as significant, with employees indicating their use for addressing concerns. There was also an expressed need for a formal policy to consistently support skill development, career growth opportunities, employee onboarding, mental health, etc. Employees believed this would enhance transparency within the system.

Casual communication channels are a routine aspect in various tasks such as training decisions, mentoring, intergroup interaction, performance feedback, and more. Employees noted that while informal communication has its merits, it often results in obscurity within the system, contributing to dissatisfaction and negativity.

The employee channel of communication is a key facet within any organization that fosters collaboration, understanding, and a sense of shared purpose. Effective communication channels empower employees to voice their perspectives, contributing to a more inclusive and dynamic work environment. By establishing transparent and open lines of communication, organizations not only enhance employee engagement and satisfaction but also create a culture of trust and mutual respect.

Conclusion

The study unearthed valuable insights into the diverse perspectives of employees within the organization. For example, themes related to engagement and acceptance advocacy and employee motivation, communication and transparency, compensation and benefits, employee onboarding etc. provided a comprehensive understanding of the workforce's sentiments. This revealed a nuanced landscape of employee experiences, encompassing a wide array of concerns from work-life balance and well-being support to career growth and organizational communication. The identified themes and parameters serve as a foundation for targeted recommendations aimed at enhancing the overall employee experience and addressing specific challenges highlighted during the research. While the study provides valuable insights, limitations include its focus on a single organization, potentially limiting generalizability. Additionally, the subjective nature of qualitative data may influence interpretation.

Moving forward, key recommendations include the imperative need for improved learning and development in core financial areas, with a focus on external training opportunities within working hours. Achieving efficient employee communication necessitates a concentrated effort on select, pertinent communication channels. To foster increased inter-departmental interaction and organizational awareness, avenues such as frequent town halls and specialized onboarding activities should be organized. The call for market correction in pay structures, especially for middle management, emerged as a significant concern, along with a demand for increased recognition of high performers across all departments. Achieving efficient employee communication necessitates a concentrated effort on select, pertinent communication channels

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Chapter 9

TALENT MANAGEMENT: WORKFORCE DIVERSITY A BAND WAGON EFFECT OR A BUSINESS NEED

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Abstract

This paper explores the relationship between workforce diversity, talent management, and competitive advantage. It investigates how effective talent management practices intersect with diversity initiatives to optimize organizational success. By examining tailored strategies, it uncovers methods to identify, nurture, and retain diverse talent, emphasizing their role in driving innovation and productivity. The study also analyzes how inclusive talent management fosters an environment where diverse perspectives fortify decision-making and organizational resilience. Using institutional and resource-based theories, it addresses questions about diversity's impact on values in different sectors, reasons for promoting diversity, and its role in creating a competitive edge. This research provides insights into how strategic talent management, integrated with diversity initiatives, drives sustainable success in today's business landscape. This article explores the relationship between workforce diversity, talent management, and competitive advantage. It examines how effective talent management practices can be combined with diversity programs to optimize organizational success. By examining diversity initiatives, it reveals ways to identify, develop and retain diverse talent, emphasizing their role in driving innovation and productivity. The research

also analyzes how inclusive talent management creates an environment where diverse perspectives enhance decision-making and organizational resilience. Drawing on institutional and resource-based theories, it addresses issues such as the impact of diversity on the values of different sectors, the reasons for promoting diversity, and its role in creating competitive advantage. This study provides insights into how strategic talent management, combined with diversity programs, can drive sustainable success in today's business environment.

Keywords: workforce diversity, competitive advantage, diversity initiatives, resource-based view.

Introduction

Talent management and workforce diversity form an integral foundation for a dynamic, forward-thinking organization. Embracing diversity in your talent strategy not only enriches your team with diverse perspectives and skills but also creates an environment where everyone feels valued and empowered. Recognizing and leveraging the unique strengths of different backgrounds fosters an inclusive culture that inspires creativity and problem-solving. Effective talent management in a diverse environment includes proactive recruitment, tailored development, and equal growth opportunities to ensure optimal utilization of diverse talent. However, as lines blur in global markets, managing a diverse workforce presents challenges. Although diversity is increasingly accepted as the norm (Garg & Sangwan, 2021; Milliken & Martins, 1996), it is akin to a double-sided edge (Williams & O'Reilly, 1998), with both advantages and disadvantages.

Research across disciplines has examined its impact on a variety of outcomes but results often vary. Some assert its value for competitive advantage, while others emphasize its potential negative impact on interpersonal relationships and team performance (Cox, 1993; Kossek & Lobel, 1996; Early & Mosakowski, 2000). A large body of research across disciplines such as psychology, sociology, anthropology, and economics has delved into the impact of workforce diversity on a variety of outcomes, including organizational commitment, turnover, personal aspects such as creativity, communication

and cohesion, and finance. organizational dimensions. Metrics, innovation, and team effectiveness. However, results from field and experimental studies provide inconsistent conclusions (Cox & Blake, 1991; Harrison & Klein, 2007). While some argue for the value of diversity and suggest that effective management can lead to competitive advantage (Wright et al., 1995; Richard, 2000; Richard et al., 2003; Lu et al., 2015), often it is overlooked. (Knippenberg & Schippers, 2007).

This paper aims to investigate the strategic nature of promoting workforce diversity within organizations, examining whether it is a deliberate choice or a mere trend. It delves into the connections between workforce diversity and competitive advantage, addressing key inquiries about the motivations behind promoting diversity, its impact on values across industries, and how it contributes to establishing a competitive edge. Utilizing the lenses of institutional theory and resource-based theory, the study explores these questions.

Beyond examining the relationship between workforce diversity and competitive advantage, the paper also explores talent management within diverse organizational contexts. It analyzes how effective talent management practices intersect with diversity initiatives, exploring ways in which organizations can optimize their diverse workforce to foster innovation, creativity, and productivity.

Literature Review
Diversity
Given that diversity is not a singular construct (Williams & O'Reilly, 1998), it pertains to a scenario where individuals with shared interests differ based on discernible attributes (Jackson, S. E., Stone, V. K., & Alvarez, E. B., 1992) that are prominently noticeable, such as age/experience, sex, marital status, race/ethnicity, functional background, and organizational tenure (Bernstein, Bulger, Salipante & Weisinger, 2020; Wagner, Pfeffer, & O'Reilly III, 1984; Milliken & Martins, 1996). As workforce diversity continues to rise, questions have arisen regarding the effectiveness of existing human resource systems primarily designed for a homogeneous workforce. Benschop (1998) critiqued

various HRM theories that operate under the assumption of employee homogeneity. This generic assumption overlooks internal differences among individuals. Effectively managing a diverse workforce necessitates a comprehensive transformation of traditional strategies (Martin-Alcazar et al., 2013).

In the comprehensive research by Kossek (1996) and colleagues, they proposed methods to strategically modify existing HR systems for diversity management. They asserted that diversity management should not be viewed merely as a means but as a direct tool intricately linked to the firm's strategy for gaining a competitive advantage. This served as the foundation for Strategic Human Resource Management (SHRM) to leverage the benefits of diversity. Delery and Doty (1996) introduced a configurational approach, emphasizing the need for SHRM practices to align with the local environment, organizational conditions, and maintain internal coherence. Therefore, diversity management practices should not be perceived in isolation but rather as integral components of integrated HRM systems (Yang & Konrad, 2010). It is crucial to scrutinize a firm's competitive advantage from a diversity perspective to understand how strategic choices positively influence organizational performance (Curtis & Dreachslin, 2008; Duppati, et al., 2020).

Gender Specific Diversity & Inclusion Research over the years
The exploration of diversity in the business world began by addressing the management of gender and minorities entering the workforce (Garg & Sangwan, 2021; Guizani & Abdalkrim, 2023; Mumu, et al., 2022). This five-decade-long research originated from the discrimination and biases faced by women in the workplace due to societal stereotypes and manager role expectations. In the initial phase, scholars delved into the discrimination against women, often stemming from their failure to conform to the image of a "good manager," characterized by masculine qualities (Schein, 1973; Powell and Butterfield, 1979). This era also investigated differences in leadership styles (Chapman, 1975), attitudes, and preferences between women and men (Sutton, Markley Carlson, Helena, 1977). Subsequently, the next wave of research aimed to identify and comprehend barriers to gender equality in the workplace. Studies examined salary differentials between men and women

(Sigelman, Milward, & Shepard, 1982) and issues related to career advancement, such as disparities in performance appraisal and promotions, where males often held higher job grades than females (Mobley, 1982; Stewart & Gudykunst, 1982). Additionally, the research explored barriers from the perspective of women, considering differences in occupational aspirations compared to their male counterparts (Fottler and Bain, 1980).

Diversity research gained further traction as scholars examined obstacles to women's managerial advancement, highlighting issues such as limited access to interpersonal networks and mentoring compared to their male counterparts (Ragins & Cotton, 1991; Mehra, Kilduff, & Brass, 1998). Ely (1995) delved into the concept of 'power in demography,' concluding that women's representation in positions of power significantly influences the gender identity of professional women in the workplace.

Moving beyond sex-based attributions in employment-related attitudes, scholars shifted towards more transformative interventions in organizational systems and processes to harness the benefits of diversity (Bernstein, Bulger, Salipante & Weisinger, 2020; Jayne & Dipboye, 2004; Gonzalez & DeNisi, 2009). This shift prompted investigations into antecedents that contribute to employees' experience of inclusion based on work-related dimensions, including access to communications and resources, participation in decision-making, work group involvement (Mor Barak, Levin, Nissly & Lane, 2006), collaborative work arrangements, conflict resolution processes (Roberson, 1996), and job security (Pelled, Ledford, and Mohrman, 1999). Researchers also explored relational dimensions, involving practices that treat every individual with the same dignity and respect and focus on communication quality that fosters inclusion in the workplace (Janssens & Zanoni, 2007). Furthermore, the role of leaders and supervisors in fostering inclusion became a focal point. This includes providing psychological safety (Nembhard and Edmondson, 2006), ensuring equal access to rewards and opportunities for subordinates (Douglas, Ferris, Buckley, & Gundlach, 2003), and shaping organizational policies and systems (Guizani & Abdalkrim, 2023; Wasserman, Gallegos & Ferdman, 2008; Lirio, Lee, Williams, Haugen, & Kossek, 2008).

India: Importance of national culture in gender inclusion

Organizations strive to adopt HR practices conducive to promoting gender inclusion, shaped by managerial assumptions about employee behavior and nature deeply rooted in cultural contexts. Given the perceived male-dominated nature of Indian society (Chaudhari & Panigrahi, 2013) and its high levels of gender inequality (McKinsey Global Institute, 2015), national culture emerges as a significant explanatory factor influencing the adoption of specific diversity and inclusion practices within organizations to foster an inclusive environment.

Diversity and Inclusion in the Indian context

Limited research has delved into organizational interventions related to diversity and inclusion within the Indian context, primarily concentrating on women (Bendl, Bleijenbergh, Henttonen & Mills, 2015; Duppati, et al., 2020). Donnelly (2015) explored the challenges and tensions in managing diversity and inclusion among 25 Information Technology (IT) services multinationals operating in India. Budhwar, Saini, Bhatnagar (2005) investigated the status of Indian women managers in six organizations, addressing barriers to their managerial advancement and gender stereotype issues. Similarly, Jain & Mukherji (2010) examined the perception of the 'Glass Ceiling' in Indian organizations, highlighting the challenges faced by Indian women in reaching top leadership positions.

Some studies have focused on how organizations are handling diversity in the workplace (Budhwar, 2003; Haq, 2012; Cooke, & Saini, 2010, 2012; Buddhapriya, 2013). Additionally, there has been exploration of diversity initiatives within the framework of corporate equal employment opportunity (EEO) (Srinivas, Haq & Ojha, 2011), viewing diversity as part of corporate social responsibility (Haq, 2010), complying with legal requirements related to maternity leave (Ratnam & Chandra, 1996), and considering women's networking and career planning (Buddhapriya, 2013).

Theoretical basis: Competitive advantage based on RBV framework

From a strategic standpoint, Barney (1991) underscored in his article that an organization's internal resources can serve as a foundation for sustainable

competitive advantages, provided they meet the criteria of being rare, valuable, inimitable, and nonsubstitutable. He defined a "firm to have a competitive advantage when it is implementing a value-creating strategy not simultaneously being implemented by any current potential or competitors." Extending the Resource-Based View (RBV) perspective to the realm of human resources, Wright and McMahan (1992) proposed that a firm's human resource can potentially be a source of competitive advantage. It's crucial to note that no individual HR practice, when considered in isolation, can function as the sole basis for gaining an advantage over competitors, as it is susceptible to imitation by others.

Theoretical basis: Institutional isomorphism

Organizations structure their behavior to align with environmental expectations, aiming for rationality and appropriateness (Meyer & Rowan, 1977; Zucker, 1977; DiMaggio & Powell, 1983). In the competitive landscape for resources, customers, political power, institutional legitimacy, and social and economic viability, organizations engage in a process of institutional isomorphism. This mechanism serves as a response to uncertainty, compelling organizations facing similar environmental conditions to develop similarities. DiMaggio and Powell (1983) delineated three forms of institutional isomorphism: coercive, mimetic, and normative. Coercive isomorphism arises from political influences, resource centrality, social expectations, or values (Scott & Meyer, 1994), indicating issues of legitimacy and the exertion of dominance or dependency. The state, through laws and directives, plays a regulatory role in shaping conditions.

Mimetic isomorphism arises as a response to uncertainty regarding goals or means, leading organizations to imitate others perceived as legitimate or successful (DiMaggio & Powell, 1983). In this context, organizations may emulate the practices of others, engaging in activities like benchmarking, under the belief that these practices contribute to success. Normative isomorphism, on the other hand, results from the influence of experts and professional networks, leading organizations to adopt similar practices to those within the network. This process establishes consistent occupational standards, attitudes, opinions, and a shared orientation among members of an

occupational group (Hasse & Krucken, 2005). The combined effects of these isomorphisms create pressure on organizations to align their policies and practices with industry norms.

Propositions

According to the new institutional theory, organizations are urged to conform to environmental expectations (DiMaggio and Powell, 1983) to establish legitimacy. This often results in organizations adopting policies and practices that may not necessarily align with their business needs (Altunbas, et al., 2022; Meyer & Rowan, 1977; Kostova, & Dacin, 2008). Coercive isomorphism, exemplified by government regulations and legislation, imposes diversity management practices on organizations (Edelman, 1992). This encompasses various government initiatives, including those promoting social inclusion and employment equity, which influence the design of recruitment and selection procedures to foster diversity in the workforce (Benimadhu & Wright, 1991; Holzer & Neumark, 2000). Mandates concerning women's representation on boards (Ahern & Dittmar, 2012) and state anti-discrimination laws aimed at reducing disparities in compensation, promotions, and career advancement (Dobbin, Sutton, Meyer, & Scott, 1993; Konrad & Linnehan, 1995) also contribute to this form of coercive isomorphism.

In a study conducted by Ashworth et al. (2009), it was examined that organizations may converge due to shifts in the normative environment. The research highlighted that diversity management programs in organizations are not necessarily implemented for rational or strategic reasons to address threats or uncertainties. Instead, they are often initiated under the pressure from peer organizations, assuming the practice to be socially necessary. Managers may feel a normative obligation to consider individuals from different backgrounds (Mosher, 1982; Naff, 2001) irrespective of specific requirements. Some organizations adopt workforce diversity programs simply by imitating others because they are perceived as new or innovative (Feller, 1981; Perry et al., 1993). Encouragement for imitation often stems from cultural support (Pitts, Hicklin, Hawes & Melton, 2010), even though the associated value proposition may be unclear.

The shift in an organization's formal structure, policies, and practices is no longer solely driven by competition or the need for efficiency. Instead, it is influenced by the way organization fields are structured, ultimately leading to homogeneity not only in structure but also in output (DiMaggio and Powell, 1983). Consequently, organizations may adopt diversity initiatives to gain legitimacy, but in doing so, they might not add unique value, thereby potentially depriving the organization of a competitive advantage. Based on the arguments derived from the theoretical background and past empirical research, the proposition is as follows:

Proposition 1: *Workforce diversity derived out of institutional isomorphism would not result in a firm's competitive advantage.*

Organizations are increasingly shifting from the imperative of gaining legitimacy to viewing diversity initiatives as a strategic business move, allowing them to cultivate a competitive edge. Creating an environment where individuals feel respected and their dignity is upheld is a sought-after attribute. In such a context, diversity serves as a catalyst, enhancing organizational efficiency and effectiveness (McLeod et al., 1996). Workplace heterogeneity contributes to improved marketing and customer service, facilitating better understanding and accommodation of diverse customer groups and their needs. This approach yields numerous benefits, including an enhanced corporate culture, increased employee morale, greater retention rates, cost reductions through decreased absenteeism and turnover, heightened creativity, reduced litigation and complaints, improved interpersonal relations among employees, and the maximization of brand identity (Esty et al., 1995; SHRM, 2014)

According to a global survey conducted by Human Capital Trends, numerous organizations are actively promoting diversity in the workplace, but they struggle to fully capitalize on the associated business benefits. To gain a competitive advantage over rivals, a firm's human resource processes must be distinctive, causally ambiguous, socially complex, and synergistic in enhancing firm competencies, thereby rendering them difficult to imitate (Lado & Wilson, 1994). Wright, Dunford, & Snell (2001) succinctly asserted that a firm can achieve a competitive advantage when there is alignment

among the development of the human capital pool (Wright et al., 1994), strategically relevant human behaviors (MacDuffie, 1995), and integrated Human Resource Management (HRM) systems (Lado & Wilson, 1994).

Proposition 2: *Workforce diversity derived out of business needs would result in a firm's competitive advantage.*

The impact of workforce diversity on value creation is not uniform across industries, showing variations between the service and manufacturing sectors. Managing diversity in the workplace tends to yield more favorable outcomes in the service industry compared to the manufacturing industry. For instance, in a survey spanning 15 years (1978 to 1992) involving 410 firms, Frink et al. (2003) discovered that high gender diversity had a positive impact on the service industry but a negative one in the manufacturing sector. This suggests that service organizations may derive greater benefits from gender diversity compared to firms in the manufacturing sector. More recently, Lu and colleagues (2015) investigated the effects of three forms of diversity — age, professional tenure, and expertise — in the fashion styling industry from both a resource-based and information decision perspective. They concluded that diversity in these dimensions fundamentally creates value for an organization.

In a study conducted by Benschop (2010) involving two companies, divergent outcomes were observed. In a Telecom Company, where the HR system approach embraced diversity with a modern outlook, it resulted in significant benefits and improvements in group performance. Conversely, in an Insurance Company where a prejudicial mindset was applied to the diverse workforce, it had a negative impact on interactions within diverse groups and their overall performance. In the banking industry, Richard (2000), using the Resource-Based View (RBV) lens, found that racial and cultural diversity (Richard et al., 2004) can indeed contribute to gaining a competitive advantage. Examining the influence of team heterogeneity in top management (functional, educational, and tenure) on competitive moves in 32 U.S. airlines, Hambrick and colleagues (1996) discovered that initially, a heterogeneous group was positively associated with the propensity to undertake competitive initiatives. However, the execution of these initiatives was slower compared to a homogeneous group within this diverse setting due to resistance and delays

in decision-making. Additionally, Dreachslin et al. (2004) explored the effect of racial and ethnic diversity in health services, finding a positive relationship with creating value for customers.

Nevertheless, in the manufacturing industry, workplace diversity is often perceived as not contributing substantial value. Companies in this sector often adhere to legalistic compliance approaches primarily to ensure a continuous supply of resources from the environment and to sustain operational continuity. In a study focused on the Australian manufacturing industry, D'Netto & Sohal (1999) found that the adoption of diversity management practices was relatively average. The study observed that Australian managers, in this context, did not believe that workforce diversity could provide significant benefits to the organization. Due to standardized operating processes, the concept of managing diversity is often absent, and, consequently, diversity in the workforce is not regarded as a potential source of competitive advantage (D'Netto et al., 2014). Thus, the impact of a diverse workforce varies across these two industries.

Proposition 3: *Workforce diversity does not produce uniform value with respect to service industry and manufacturing industry.*

Conclusion

It is crucial for organizations to actively compete for individuals with distinctive skills, qualifications, and characteristics that are both unique and valuable, non-imitable, and rare, thus contributing to the overall value of the firm. To serve as a source of competitive advantage, a heterogeneous workforce should encompass human capital with diverse skills, judgments, and abilities. For such diversity to be a valuable resource, the characteristics of the workforce must enable the organization to exploit and derive benefits from these resources. Merely having a diverse workforce due to institutional pressure, without aligning with these resource-based criteria, may not add substantial value to the organization. Adopting the resource-based view of the firm provides a strategic framework for organizations to effectively leverage performance.

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Author's Profile

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Chapter 10

MANAGING DIVERSE TALENT: TALENT MANAGEMENT TO BUILD DIVERSITY, EQUITY AND INCLUSION

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Abstract

In the current fast-evolving business environment, many organizations are re-examining their people practices to capitalize on diverse talent. The ability to identify and unlock human potential, consistently nurture talent and employ it to unleash organizational energy requires an acknowledgement and appreciation of the diverse knowledge, skills and abilities in the marketplace. While the focus of most diversity research has been on demographic characteristics, the ultimate goal of any organization should be to promote diversity of thought. A holistic view of diversity that leads to diverse ways of seeing things is more likely to lead to outcomes desired by organizations: improved decision making and performance, risk reduction and enhanced innovation. This chapter examines talent practices that can harness the benefits of demographic diversity by tapping into the varied knowledge, skills and networks that diverse groups bring to the table, thus enabling organizations to fully leverage the skills and abilities of all employees.

Keywords: Talent Management, Diversity, Inclusion, Leadership, Culture

Overview

Twenty-two years after "The War for Talent" (Axelrod, Michaels & Handfield-Jones, 2001) was published, the central ideas of the book remain relevant. Unless

organizations make talent management a burning priority, instill a talent mindset throughout the organization, and re-imagine their people practices, they will be left behind by increasingly aggressive competition (Govender, 2022). In a world filled with volatility, uncertainty, complexity and ambiguity, organizations are finding it necessary to double down on the pursuit, development and retention of talent in order to remain competitive and meet their strategic objectives. According to the World Economic Forum (2020), technology remains a disruptive force leading to the need for nearly 54% of the global workforce to reskill and upskill itself. In such a situation, organizations are finding traditional practices for developing employees woefully inadequate. A novel idea has been put forth by authors Ravin Jesuthasan and John W. Boudreau (2022) in their book "Work Without Jobs." They call for the traditional understanding of jobs to be discarded and a new "work operating system" to take their place in which jobs are deconstructed into smaller components such as tasks, activities and projects and then reconstructed into combinations that fit the skills and abilities of individual workers. In such a "talent marketplace," internal mobility is prioritized and employees and their skills are assigned to tasks, projects and roles as and when the situation demands (Govender, 2022). This helps organizations become more agile in response to changing environmental conditions.

A lot has been written about what talent marketplaces are and how they can synergize the capabilities of Artificial Intelligence with the human capital available to organizations. Some have called talent marketplaces "game-changing platforms" (Whysall, Owtram, & Brittain, 2019). This is because they help reduce the dependence on traditional recruitment and selection practices in which a lot of time and energy is spent by organizations in their pursuit of external talent. Talent marketplaces provide organizations with the technological capability to look within. Organizations can identify, mobilize, develop and speedily access the knowledge, skills and abilities available across their varied departments and offices and quickly assign individuals to cross-functional teams and projects as and when required. Such internal mobility helps employees build a diverse range of skills and abilities, empowers them to make informed decisions about their personal and professional growth and develops a sense of loyalty and commitment towards the organization.

The cross-collaboration that talent marketplaces afford becomes especially significant as organizations acknowledge the importance of diversity in their demographic composition. Despite the diversity evident in populations across the globe, many organizations are yet to reflect this reality. The situation is worse for senior executive positions with only 19% gender diversity and 13% racial and ethnic diversity seen in

top leadership teams (Gartner, 2021). Unless an organization can identify, access and harness the knowledge, skills and abilities of diverse demographic groups, its ability to thrive in a highly competitive environment will remain elusive. The solution, however, isn't to merely increase the number of individuals belonging to under-represented groups. The ultimate goal of any organization should be to promote diversity of thought (Bourke & Dillon, 2018). A holistic view of diversity that leads to the synthesis of varied perspectives and ideas is more likely to lead to outcomes desired by organizations: improved decision making and performance, risk reduction and enhanced innovation (Phillips, Northcraft, & Neale, 2006). This chapter examines talent practices that can harness the benefits of demographic diversity by tapping into the varied knowledge, skills and networks that diverse groups bring to the table, thus enabling organizations to fully leverage the skills and abilities of all employees.

Effective Management of Diverse Talent

As mentioned earlier, merely increasing the number of people belonging to diverse social groups will not enhance an organization's ability to leverage diverse talent. In order to reap the benefits of diversity, an organization will have to enact changes at a deeply structural, systemic and cultural level. A first step would be to employ a framework which can help organizations create a step-by-step approach for translating intentions into impactful actions. A useful framework is an adapted version of Jay R. Galbraith's Star Model (Monzani, 2020). Galbraith's star model is an organizational design framework which can be used by a company to make design choices that promote effective decisions and behaviours by leaders and employees. The framework consists of five key components of organizational design: strategy, structure, processes, rewards and people. The adapted version (Monzani, 2020) of this model puts culture at the center and describes how each of the five components have a reciprocal relationship with culture. The adapted version of the Star Model can be used to explain how organizations can create an environment in which diverse talent is managed in a way that leverages the unique knowledge, attitudes, skills and habits (KASH) that individuals bring, while at the same time synergizing the KASH to create an exponential impact on the organization's operations, practices and products.

Inclusive Culture

Edgar Schein (1984), one of the most prominent scholars of Organizational Culture defined it as: "A pattern of basic assumptions that a given group has invented, discovered, or developed in learning to cope with its problems of external adaptation and internal integration, and that have worked well enough to be considered valid,

and, therefore, to be taught to new members as the correct way to perceive, think and feel in relation to those problems" (p. 3). An example of an external adaptation problem is when members of an organization believe that the customer is critical to the organization's success and therefore, adopt customer-centricity as a value. With respect to issues related to internal integration, an example would be members' belief that people are the most important resource and therefore, development and engagement of employees should be an important people practice. Shein's model of organizational culture contains three levels ranked in order of visibility. The most observable aspects of an organization's culture are overt behaviours and artifacts such as office layout, codes of conduct, people practices etc. The second level contains the espoused values of the organization. These may be stated on an organization's website or described in internal and/or external communications. For instance, three key values mentioned on Microsoft's website are respect, integrity and accountability. The third and the most important level is basic assumptions. Assumptions aren't visible to the casual observer, but they drive the culture of the organization. Assumptions underlie the espoused values and determine the behaviours of organizational members and the artifacts they put on display. For example, an underlying basic assumption of Lemon Tree Hotels is that commitment to service excellence is not a function of physical or mental abilities. It is a mindset that can be nurtured through an inclusive environment dedicated to development and engagement of employees. This basic assumption underlies Lemon Tree's inclusion program related to Opportunity Deprived Indians (ODIs). The company has been recognized nationally for its employment of people with physical and intellectual disabilities and is consistently ranked among the "Best Companies to Work for" in India.

An Inclusive Culture like Lemon Tree's plays a powerful role in elevating an organization's performance through its ability to ensure that diversely talented individuals learn and grow together and contribute effectively. When diverse talent is effectively and inclusively managed, it leads to enhanced work processes, increased intentions to stay and positive impact on trust, organizational justice perceptions and job satisfaction (Hajro, Gibson, & Pudelko, 2017; Hofhuis, van der Rijt, & Vlug, 2016; Kim, 2017; Madera, Dawson, & Guchait, 2016). It is important to understand, however, what inclusion means. The concept has been defined in different ways. According to Ferdman (2017), "In inclusive organizations and societies, people of all identities and many styles can be fully themselves while also contributing to the larger collective, as valued and full members" (p. 235). Shore, Randel, Chung, Dean, Ehrhart, and Singh (2011) defined inclusion within a work group as the "degree to

which an employee perceives that he or she is an esteemed member of the work group through experiencing treatment that satisfies his or her needs for belongingness and uniqueness" (p. 1265). Thus, inclusive environments are those in which individuals of all groups feel comfortable being their authentic selves and are secure in the knowledge that their membership is respected, their contributions valued and their needs for belongingness and uniqueness fulfilled. Such environments lead to the ultimate goal of diversity which is diversity of thinking.

The Five Components of the Star Model

As mentioned earlier, the five components (strategy, structure, processes, rewards and people) of the Star Model have a reciprocal relationship with culture (Monzani, 2020). Leaders can develop specific action plans for each component of the model to create an inclusive culture which fosters and leverages diversity of thoughts, ideas and perspectives. How then can the five components be used effectively? In a competitive environment, the strategy component helps organizations create a plan for winning in the marketplace. Through a relevant and context-appropriate strategy, leaders can describe with clarity their organization's vision, mission and purpose and draw out specific action plans for meeting their goals and objectives. Structure is the formal division, grouping and coordination of jobs and tasks. It describes reporting relationships and spans of control, assigns decision-making authority and provides jurisdictional clarity. Structure facilitates efficient functioning, helps employees understand their responsibilities, reduces inefficient use of time, efforts and resources and enables the organization and its employees to effectively meet strategic objectives. Processes are the means by which work gets done. Processes involve decisions and actions regarding business plans, resource allocation and talent utilization. The establishment of formal processes form an integral part of designing an organizational structure as they help direct employees' efforts and bind the organization together. Rewards are means by which leaders can acknowledge and recognise employees' work. An efficient and effective reward system has an energizing and motivational effect on employees and ensures the engagement and retention of talent. The final component is the people component and involves critical people practices such as the recruitment, selection, development, engagement and retention of talented individuals. An effective talent management system ensures that a proficient and qualified workforce is effectively deployed and consistently nourished to meet current and future goals of the organization.

Several examples can be taken to understand how organizations can use the adapted version of the Star Model to create an inclusive culture and manage diverse talent.

IBM's 1995 effort to make diversity and inclusion a strategic goal is a case in point (Thomas, 2004). CEO, Lou Gerstner understood that ignoring differences among employees would not reduce discrimination. Instead, he chose a different track by trying to unearth and understand differences among the company's diverse groups and establish structures, processes and talent practices to leverage the differences. One of the first steps in this direction was the structural initiative of creating task forces, each dedicated to a different identity group: Women, White Men, Asians, African-Americans, LGBTQ individuals, people with disabilities, Hispanics and Native Americans. The task forces set about conducting research and collecting data from their respective constituents, the findings of which led to a number of new initiatives across the company. Sponsors were assigned to constituent members, regular meetings and check-ins were conducted to assess progress and several talent practices were revamped. For instance, on the recommendation of the women's task force, an "Exploring Interests in Technology and Engineering" camp was conducted at which middle school girls were brought together to learn about science and math from female IBM employees. Another initiative that was born out of task force recommendations was IBM's Market Development unit which was set up to capitalize on female and minority-owned businesses, a fast-growing entrepreneurial segment for IBM. A recommendation by the People with Disabilities task force led to IBM making its products broadly accessible to its customers. Overall, IBM's attempt to effectively leverage the talents of its diverse workforce led to a tremendous increase in revenues from 10 million to 300 million in just three years.

Another example of an effective utilization of the Star Model is what SAP SE did with its "Autism at Work" program (Pisano & Austin, 2016). To ensure the recruitment, selection, development and engagement of talented autistic individuals, the company revamped several of its people processes. A global plan was rolled out with a clear roadmap containing milestones to be achieved. The plan included the goal to onboard 100 employees with autism within a specified timeframe across SAP's global offices. This goal was based on research determining the approximate percentage of people with autism worldwide. To follow through on the plan, partnerships were formed with government, non-profit and private organizations to identify, recruit, train and assist autistic individuals in their professional journey and parallel HR processes were created with the goal of absorbing these processes into the mainstream within a specified timeframe. For instance, while a typical hiring and onboarding process involves selection of candidates followed by induction and training, SAP created a process in which identified candidates were first pre-screened (background and reference checks, questionnaires, phone interviews), then moved to

a week of "soft skills" training, followed by a four to six weeks long program during which they participated in a series of projects, learned about development methodologies used by SAP and interacted with their potential future managers who were able to get to know them better and assess their competencies. Support systems at work and in their personal lives in the form of Job and Life Coaches aided the development, engagement and retention of employees with autism. Involvement of SAP employees at all levels of the hierarchy helped make the Autism at Work program a success despite its many challenges. Through a strategic and systematic approach to this program, SAP was able to identify areas across the talent lifecycle which could be modified and/or strengthened and in the bargain deeply enhance the company's systems and practices. Efforts such as this in which deep structural and systemic changes are initiated help not only the demographic group for which they are intended, but the organization as a whole (Offermann, & Basford, 2014). Processes are strengthened, cultures enhanced, values reinforced, employees find meaning and purpose in their work and true inclusion leads to diversity of thoughts and ideas.

Leadership Behaviours

An organization's ability to create an environment thriving on the interactions and collaboration among diverse and highly engaged individuals cannot be complete without supportive leadership behaviours. Bourke & Dillon (2018) emphasize leadership commitment as one of the driving factors in creating and fostering inclusion of diversely talented individuals. The authors highlight six inter-related and mutually reinforcing leadership traits that can help leaders drive their organization's inclusion objectives. These traits are Commitment, Courage, Cognizance of Bias, Curiosity, Cultural Intelligence and Collaboration. Leaders possessing these traits can use them to effectively manage diverse talent. Leaders can communicate their commitment to diversity by sharing how it aligns with the organization's as well as their personal values. By displaying a deep curiosity to learn and adopting an open mindset and listening attitude, they can encourage members belonging to different demographic and social categories to express their hopes, expectations and concerns related to the organization's culture. They can enhance their cultural intelligence by seeking to understand the perspectives of employees belonging to under-represented groups and invite ideas and suggestions from all employees on how to make the work environment fulfilling and effective for all. As the organization begins the process of designing and implementing new systems and processes to enhance inclusion, leaders will have to be cognizant of their biases. They should be willing to critically examine the merits and demerits of existing or new approaches, be open to feedback and be ready to course correct as needed. They should courageously take a

stand on policies that may be unpopular with some of the power centers within the organization, but are necessary to ensure equitable and fair treatment of all groups. Once inclusive and equitable systems and processes are established, leaders will again find it necessary to display their commitment and perseverance to prevent employees from slipping back into old behaviours and habits. They can use their collaboration skills to mobilize and inspire employees to focus on the organization's long term goals. By empowering subordinates and providing them with adequate support, they can help them realize their own potential for inclusive leadership.

Conclusion

An environment in which diverse talent can thrive is not a product of quick-fix solutions. The ability to identify and unlock human potential, consistently nurture talent and employ it to unleash organizational energy requires an acknowledgement and appreciation of the diverse knowledge, skills and abilities in the marketplace. To take a primarily homogeneous entity, vary its social and demographic composition and create an environment in which diverse talent is nurtured in order to give rise to innovative ways of thinking requires changes at a deeply structural, systemic and cultural level. Enacting such changes requires committed, collaborative and culturally sensitive leaders who are willing to act with courage and an open mindset. This chapter employs a relevant and useful framework with appropriate leader behaviours to describe how organizations and leaders can manage diverse talent and reap its myriad benefits.

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Chapter 11

WORKFORCE BULLYING AND HARASSMENT: RESOLVING IT THROUGH HUMAN RESOURCE PRACTICES

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Abstract

Workplace bullying and harassment have gained significant attention in management literature due to their detrimental impact on individuals and organizations. This paper explores the linkages between workplace bullying and diversity factors such as gender, age, race, and employment status. It highlights the various consequences of workplace bullying at individual, group, and organizational levels. Additionally, the paper discusses a bundle of HR practices aimed at preventing and addressing workplace bullying, focusing on anti-bullying policies, training and development initiatives, communication, consultation, and proper grievance redressal procedures. The study emphasizes the importance of labelling policies positively, sensitizing the workforce, and ensuring a commitment to a bullying-free environment for promoting respectful behavior and fostering a healthy workplace culture. By addressing these critical aspects, organizations can better prevent and manage workplace bullying, ultimately enhancing employee well-being and productivity.

Keywords: bullying, harassment, workforce diversity, workplace culture, employee well-being

Introduction

In recent decades, there has been a growing emphasis on workplace bullying in the field of management research, primarily due to its numerous adverse outcomes (Notelaers, Einarsen, De Witte, & Vermunt, 2006; Hoel, Cooper, & Einarsen, 2020). Workplace bullying, also termed workplace harassment, encompasses continual and persistent negative behaviors exhibited by an individual or group towards another in a professional setting, often taking the form of aggression and hostility (Tuckey, et al., 2022). As defined by Einarsen, Hoel, Zapf, & Cooper (2011, p. 22), these detrimental behaviors encompass psychological, verbal, or physical mistreatment and are categorized as bullying when they occur repetitively and consistently (e.g., on a weekly basis) for an extended period, typically around six months. Such mistreatment is geared towards exerting control over the targeted individual and can involve offenses, social exclusion, or adversely affecting the individual's work. A fundamental characteristic of workplace bullying is the existence of a power imbalance between the perpetrator and the target (Einarsen, Hoel, Zapf, & Cooper, 2003).

Notelaers (2010) has outlined diverse manifestations of bullying, encompassing actions linked to tasks, personal harassment, threats, social exclusion, and various forms of workplace pressure. Bullying in the context of work may involve actions like withholding job-related information or offering unjustified criticism. Personal harassment includes behaviors such as spreading gossip or rumors and making offensive or insulting comments about an individual's attitudes, religious beliefs, or political views (Farley, et al., 2023). While researchers may employ different terms to characterize workplace bullying, the shared underlying concern is the ill-treatment of employees in a professional environment (Nielsen & Einarsen, 2018).

Theoretical Background

Workplace Bullying and Harassment – Linkage with Diversity

Previous research has explored specific groups that are at a higher risk of experiencing workplace bullying and harassment. Many of these studies have examined demographic factors such as gender, age, length of employment, and racial or ethnic background. As a result, there is extensive data available from various countries regarding the prevalence of bullying and harassment in the workplace among both men and women. However, despite the considerable body of research in this field, there remains some uncertainty and lack of clarity on this issue.

Gender

Existing literature consistently shows that female employees are more likely to be targets of bullying and harassment than male employees (Salin, 2021). Furthermore, research conducted by Escartin, Salin, and Rodriguez-Caballeira (2011) showed that women often report that they experience more severe negative behaviors than men, particularly in situations involving emotional abuse, social ostracism, and damage to professional reputation. Furthermore, it has been observed that males are more likely to engage in bullying behaviors than females (Einarsen & Skogstad, 1996). As Lee & Brotheridge (2011) note, this pattern extends to both direct and indirect forms of aggression.

Empirical research has also found that in situations involving workplace bullying, men tend to confront the problem more openly but are less likely to seek help than women, who are more likely to seek social support. However, women often engage in avoidance strategies such as calling in sick, asking for a transfer, or in some cases, quitting their jobs when they believe the situation cannot be resolved (O'Donnell, MacIntosh, & Wuest, 2010; Lutgen-Sandvik, 2006 ; Wilson, Diedrich, Phelps, & Choi, 2011; Olafsson & Johannsdottir, 2004; Salin, 2009). Fundamental reasons why women experience bullying more frequently include power differences within the workplace (Strandmark & Hallberg, 2007) and control differences (Hutchinson & Eveline, 2010). These factors influence not only women's intention to leave but also their actual decision to leave. As a result, women often engage in avoidance strategies to minimize further negative encounters, but this ultimately damages their health (McCormack, Casimir, Djurkovic, & Yang, 2009).

A large body of research examines the concept of "gender" primarily through a biological lens only, often ignoring the socially constructed aspects of gender (Keashly, 2012). Even those studies that attempt to classify sex differences do not have a solid theoretical foundation to explain these differences and their underlying causes. In this regard, Lee (2002) and Simpson and Cohen (2004) initiated a discussion arguing that bullying is a product of gendered processes. They draw inspiration from social dominance theory, which posits that dominant groups hold power and use it to oppress vulnerable groups in various ways (Sidanius & Pratto, 1999).

It has been argued that women's success in the workplace can be seen as a threat to male-dominated environments where women have traditionally been viewed as subordinate to men. This perspective suggests that women face a greater risk of being bullied in male-dominated work environments, especially as they advance to managerial levels (Zapf & Einarsen, 2011). However, some researchers believe that significant gender differences do not exist and argue that both genders are at equal risk for bullying (Einarsen & Skogstad, 1996; Leymann, 1996). Scholars also recognize that in the context of workplace harassment, men are often bullied by other men, while women may be bullied by both genders, with female employees often engaging in this behavior (Hoel, Rayner, & Cooper, 1999).

Age

Besides gender, another demographic factor significantly influencing workplace bullying and harassment is an employee's age. The existing body of research indicates that older employees face a higher susceptibility to workplace bullying in comparison to their younger colleagues (Einarsen & Skogstad, 1996; Painter, 1991). Notably, Notelaers and colleagues' research has pinpointed the age group between 35 and 54 as particularly vulnerable to the risk of becoming victims of workplace bullying. These findings challenge the notion that younger workers possess less informal power compared to their older counterparts. Therefore, the knowledge and experience accumulated by older employees, which could theoretically offer them more resources for self-protection, do not seem to reduce the risk of workplace bullying. As a result,

this study concludes that a lack of experience does not necessarily equate to a higher risk of being subjected to workplace bullying.

Conversely, research by Einarsen, Matthiesen, and Hauge (2008) has unveiled that newcomers to the workforce may be at a heightened risk of experiencing bullying. This may be because these employees undergo testing or scrutiny before they are fully accepted as members of informal workplace groups. If this mistreatment persists over an extended period, it can be categorized as workplace bullying, leading to psychological harm.

Race

Fox and Stallworth's 2005 study delved into workplace bullying with a focus on racial differences. They observed that bullying of Hispanics/Latinos was notably higher compared to that of Whites. Interestingly, they did not detect any variance in the severity of bullying among Blacks, Asians, and Whites. Similarly, Lewis and Gunn's 2007 study echoed this trend, highlighting that ethnic minorities encountered a fourfold increase in bullying rates compared to their White counterparts. Furthermore, numerous studies consistently pointed out that the risk of workplace bullying for ethnic minorities was ten times higher than for Whites. Moreover, these individuals often experienced neglect from their line managers while working, faced continuous criticism from colleagues of similar positions, and were more inclined to leave their jobs compared to White respondents.

Temporary worker

Temporary workers often become targets more frequently, potentially perceived as disruptive by the permanent workforce due to their impact on the social dynamics within their work group. Additionally, their vulnerability increases as they can be dismissed more easily compared to permanent employees (Baron & Neuman, 1996).

Propositions

Consequences of Workplace Bullying and Harassment

Workplace bullying has multifaceted consequences at both the individual and group levels. On an individual scale, employees subjected to bullying

experience reduced job satisfaction (Lutgen-Sandvik, Tracy, & Alberts, 2007), increased absenteeism (Hoel & Cooper, 2000), and a propensity to consider leaving their positions (Djurkovic, McCormack, & Casimir, 2008), ultimately impacting overall group performance (Ramsay, Troth, & Branch, 2010). Additionally, it adversely affects physical and mental health, contributing to conditions like depression, burnout (Bjorkqvist, Osterman, & Hjelt-Back, 1994; Mikkelsen & Einarsen, 2002), insomnia (Strandmark & Hallberg, 2007), and in severe cases, may lead to suicide (Hoel, Cooper, & Einarsen, 2020). At the group level, workplace bullying influences team dynamics, norms, and interpersonal relationships among team members (Coyne, Craig, & Chong, 2004). Furthermore, at an organizational scale, it impacts overall performance (Vega and Comer, 2005) and organizational culture (O'Leary-Kelly, Griffin, & Glew, 1996).

Bundle of HR practices - Resolving workplace bullying problems
The role of HR as a business partner within an organization serves to enhance the credibility and prestige of the HRM profession. This approach emphasizes a delicate equilibrium between business strategy and prioritizing employee well-being (Hallier and Summers, 2011). Within this framework, the human resource management department plays a pivotal role in both preventing and managing workplace bullying. Despite the emphasis in literature on prevention and management strategies, there remains a significant gap in understanding how to effectively implement these practices (Saam 2010). Acknowledging the complexity of addressing workplace bullying and harassment, the literature underscores the lack of concrete, comprehensive solutions, leaving the resolution still largely abstract (Nielsen & Einarsen, 2018).

One crucial theoretical foundation for understanding the origins, precursors, and outcomes of bullying is the 'work environment hypothesis' (Salin, 2003; Salin & Hoel, 2011). This hypothesis asserts that organizations should cultivate a work environment that nurtures a positive culture, effective leadership, and a rewarding system where every employee feels valued. Such an environment is believed to effectively tackle the issue of bullying (Salin and Hoel, 2011). It emphasizes the promotion of values and a suitable code of conduct through

engaging and consulting with employees across all hierarchical levels, aiming to foster a healthy and supportive climate.

Recognizing the pivotal role of organizations in permitting or preventing workplace bullying, it has become crucial to examine a set of HR practices that could deter such behaviors within the workplace. This article proposes organizational strategies implemented through human resource practices aimed at mitigating instances of workplace bullying and harassment. Existing HR literature has emphasized the adoption of sophisticated HR practices (Heffernan & Flood, 2000) or 'high performance work practices' (e.g., Huselid, 1995) capable of fostering a supportive environment prioritizing employee dignity and well-being. However, despite a few studies (Hubert, 2003; Mathieson, Hanson & Burns, 2006; Richards & Daley 2003; Vartia, Korppoo, Fallenius & Mattila, 2003), there is limited exploration regarding the impact of these 'sophisticated' HR practices—those utilized by organizations to prevent bullying. Thus, this article aims to address this gap in the literature.

Developing Anti-bullying Policies – Prevention policies with a positive connotation
Both scholars and professionals have advocated for the implementation of comprehensive anti-bullying policies to establish a workplace culture that strictly opposes bullying and harassment. Researchers highlight the crucial involvement of employees at all levels in creating and implementing these policies. This inclusive approach aids in fostering understanding among staff regarding the significance of such policies and promotes their acceptance throughout the organization (Richards & Daley, 2003). Vartia et al. (2003) underscore the significance of anti-bullying policies not only for supporting victims but also for providing clear guidelines to managers. This clarity equips managers with the competence to respond judiciously and effectively in handling bullying incidents.

In line with this perspective, Rayner and Lewis (2020) suggest the involvement of key stakeholders, such as the HR professionals, managers, and employees, in the formulation of anti-bullying policies. This collaborative approach helps raise awareness regarding what constitutes inappropriate workplace behavior. Consequently, organizations should explicitly define

bullying and its repercussions, making employee's conscious of these through an employee handbook. The handbook should detail various behaviors classified as workplace bullying (e.g., threats, blackmail) and outline the corresponding disciplinary actions (Salin, 2008). However, despite having detailed HR policies and clear anti-bullying guidelines, there is a risk of policy ineffectiveness and implementation failure (Ferris, 2004). Therefore, it is crucial to present the policy's content to employees in an optimistic manner. While organizations may have robust policies for preventing bullying and harassment, ensuring that these policies are perceived positively poses a significant challenge. The mere mention of harassment be it physical or psychological, instills fear in employees and creates an atmosphere that is perceived as unhealthy for work. This fear not only disrupts the work environment but also damages interpersonal relations. The negative connotation of policies aimed at preventing bullying further exacerbates the situation, hindering efforts to create a healthy workplace. To address this issue, framing anti-bullying policies for victims, perpetrators, and managers should adopt a more positive tone. Instead of using a negative label like "Policy for the Prevention of Bullying/Harassment," consider titles such as "Happiness at Work is Everyone's Duty" or "Let's Be Human." This positive framing is likely to contribute to a healthier workplace climate, as employees are not intimidated by such policies but rather motivated to exhibit desired behaviors.

Proposition 1: Organizations might be more successful in their efforts in preventing workplace bullying and harassment when they clearly document and detail anti-bullying policies and label those policies in a more positive manner.

Training and Development Initiatives - Sensitization of Workforce
Recognizing the pivotal role of managers and supervisors in shaping workplace culture, McCarthy, Sheehan, & Kearns (1995) recommend providing them with soft skills training. This training aims to cultivate caring managerial styles by helping them distinguish between appropriate and inappropriate ways of treating their staff, fostering constructive behavior to improve the workplace. In addition to managerial training, there is a suggestion for mandatory and regular training programs for all staff members

to enhance the overall congeniality of the working environment. These programs should address the essentials of workplace bullying, including educating employees on the code of conduct that supports a professional working environment. Furthermore, these training sessions should incorporate skills that help identify and address bullying and interpersonal conflicts while promoting respectful behavior among all employees.

Communication and Consultation- Encourage Management and Staff Interaction
To ensure the positive impact of workplace training, it is crucial to establish effective communication channels at all levels, fostering awareness about bullying among employees. This approach aids in identifying situations that may escalate into bullying, empowering individuals to either directly reject participation or indirectly address the issue. Training programs should prioritize educating participants about the causes and consequences of bullying, emphasizing this aspect consistently. Additionally, it is imperative to inform staff about the appropriate channels to approach in case of bullying incidents. Clearly communicating points of contact and maintaining transparency in the investigation process encourages employees to promptly report bullying occurrences (Richards and Daley, 2003).

Regular formal and informal discussions with staff provide a platform for addressing these issues, promoting early intervention as a preventive measure to monitor the workplace environment (Mathieson, Hanson, & Burns, 2006). Involving the workforce at all levels reduces the likelihood of lower-level staff concealing information about bullying incidents. HR practices such as employee surveys, consultations, and team meetings can enhance employee participation. Inviting employees to comment and provide feedback on policies and proposed procedures contributes to reducing workplace bullying by fostering a culture of open communication and collaboration.

Proposition 2: Organizations might be more successful in their efforts in preventing workplace bullying and harassment when they supplement education on bullying and harassment with sensitization of workforce and pairing it with an open door policy by holding frequent orientation meetings, ensuring employees at all levels are on the lookout for this behavior.

Proper Grievance Redressal Procedure –Disciplinary Actions

Anti-bullying policies represent planned HR interventions aimed at cultivating a healthy and positive workplace environment (Whitener, 2001). These policies specifically convey a zero-tolerance stance towards bullying behavior under any circumstances. However, literature suggests that individuals who are targets of bullying and harassment often perceive HR professional responses to be inconsistent with the principles they advocate, deeming them unfair and inappropriate (Ferris, 2004; D'Cruz and Noronha, 2010). Targets who raise complaints against their manager or supervisor frequently feel unsupported by HR professionals and powerless within the workplace (Sheehan et al., 2004). Their concerns are sometimes dismissed outright (Ferris, 2009), and in some cases, the target is held responsible for the situation (Lee, 2000). Such experiences, where HR professionals' inaction contributes to a sense of distrust in organizational interventions for bullying, lead to a negative perception in the target's mind (D'Cruz and Noronha, 2010). The absence of transparency in the redressal mechanism and a lack of disciplinary action against the perpetrator exacerbate the workplace environment, as neutrality is not seen as a viable solution (Keashly, 1998; Rayner, 2005).

Similarly, a study conducted by Rayner and Lewis (2020) revealed that the HR department often fails to align its actions with its stated principles and does not actively engage in addressing workplace bullying situations. Contrary to the assumption that taking no action is better than making a decision, this inaction can worsen employees' perceptions of bullying policies and potentially have a detrimental effect on their attitudes (Bingham & Scherer, 2001). Therefore, it is imperative for organizations to demonstrate a genuine "commitment to a bullying-free environment" and establish a robust grievance redressal procedure (Salin, 2008, p. 223). This involves providing appropriate feedback and implementing strong disciplinary actions against any instances of bullying. Ensuring a bullying-free environment and displaying a strong commitment to taking proactive measures in response to complaints reported by targets, including thorough investigations, can contribute to the reduction of negative behaviors in the workplace.

Proposition 3: Organizations might be more successful in their efforts in preventing workplace bullying and harassment when there is a proper grievance redressal mechanism ensuring management's commitment to a bullying-free environment for promoting behaviours of respect and courtesy in the workplace.

Effect of Workplace Bullying on Talent Engagement and Management
The impact of workplace bullying goes beyond immediate workplace dynamics, exerting a profound influence on an organization's talent management endeavors. This toxic environment created by bullying and harassment can severely hinder talent retention and engagement. High-performing individuals, often deemed crucial assets, may become targets of bullying, leading to reduced job satisfaction and an increased likelihood of considering alternative career opportunities. When key talent feels undervalued or psychologically unsafe due to bullying, they are more inclined to seek employment elsewhere, adversely affecting the organization's ability to retain valuable human capital. Furthermore, workplace bullying can act as a deterrent for potential talent, impeding the recruitment of top-tier individuals, and causing existing employees to disengage, thereby affecting overall productivity and innovation. The consequences of workplace bullying on talent management extend beyond immediate morale issues, significantly affecting an organization's long-term competitiveness and sustainability in attracting and retaining top-tier talent.

Research studies have consistently emphasized the detrimental effects of workplace bullying on talent engagement and management. For instance, a comprehensive analysis conducted by Smith et al. (2021) revealed a strong correlation between workplace bullying and decreased job satisfaction among high-performing employees. The study highlighted that individuals who experienced bullying were twice as likely to express dissatisfaction with their roles and exhibit higher turnover intentions. Additionally, research by Johnson and Brown (2020) demonstrated that workplace bullying not only led to increased turnover rates but also hindered the development of a positive organizational culture. Organizations that fail to address bullying may face challenges in attracting and retaining high-performing individuals,

emphasizing the urgency for comprehensive anti-bullying measures to safeguard talent and foster a conducive workplace environment.

Proposition 4: Workplace bullying poses a substantial threat to talent management efforts, as the negative consequences of such behavior can significantly impede an organization's ability to attract, retain, and nurture key talent.

Conclusion

The core responsibility of HR is to safeguard the organization and cultivate a healthy, compliant working environment. This involves establishing an atmosphere where every employee is respected, valued, and their voices are heard without bias. Addressing bullying behavior promptly requires the creation of a robust infrastructure, including well-defined policies and procedures, effective training and sensitization programs, and an efficient grievance redressal procedure to uphold the dignity of individuals or groups in the workplace. Such practices, coupled with an effective working environment, contribute to fostering employee well-being and productivity in the workplace.

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Chapter 12

TEAM DIVERSITY AND TEAM PERFORMANCE: ROLE OF COHESION, INTRATEAM TRUST AND EFFECTS OF TIME

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Abstract

This theoretical paper delves into the complex inner workings of teams, suggesting that cohesion and trust among team members play crucial roles in improving team performance by leveraging the positive impacts of both surface-level and deep-level diversity. It explores how these factors interact in both temporary and ongoing teams, providing insights into their dynamics within different team structures. Additionally, the paper introduces the concept of time as a moderator that shapes how diversity influences cohesion and intra-team trust. It underscores that diversity's effects may differ between temporary and ongoing teams, emphasizing the temporal aspect in understanding team dynamics. The model proposed in this paper suggests that cohesion and intra-team trust act as intermediaries between diversity and team performance, with these intermediary effects changing over time. Rooted in Social Integration and Attraction theories, the paper establishes a theoretical framework to grasp the intricate interplay of diversity, trust, cohesion, and performance within teams.

Keywords: Team diversity, team performance, intra-team trust, team cohesion, social

integration theory

Introduction

To ensure an organization's success, fostering healthy and productive workplace relationships is essential. Nowadays, diversity is not the exception but the norm within teams, and it plays a pivotal role in organizational dynamics. Research has consistently shown that diverse teams tend to perform better (Ancona & Caldwell, 1992; Gomez, & Bernet, 2019; Jehn, Northcraft, & Neale, 1999; Horwitz & Horwitz, 2007; Mohammed & Nadkarni, 2011). However, the mechanisms behind this phenomenon are not well-explored. Devine and his colleagues (1999) surveyed 405 U.S. organizations and discovered that teams can be categorized based on the perceived duration of their tasks. Temporary teams are created for specific, short-term tasks (Cohen & Bailey, 1997), while ongoing teams are enduring units engaged in routine and cyclical work (Mc Grath & Arrow, 1993). The type of team and its task structure significantly affect team performance. In the context of diverse teams, the importance of trust and cohesion is heightened. These factors act as catalysts in maintaining the integrity and values of diverse groups with varying backgrounds, ideas, and personalities, ultimately enhancing team performance (Patrício, & Franco, 2022; Wang, Cheng, Chen, & Leung, 2019). Trust and cohesion within teams are nurtured through interactions, and their strength can vary based on the frequency of these interactions, affecting outcomes positively.

In the intricate landscape of today's work environment, the connection between talent management and team-level diversity extends beyond conventional demographics to encompass a diverse range of skills, perspectives, and expertise within teams. Talent management strategies are evolving beyond surface-level distinctions to embrace the unique proficiencies and varied capabilities that individuals bring. Recognizing and nurturing this diverse talent pool not only fosters innovation but also propels organizational success. By valuing diverse talents and skills, workplaces can establish an environment where each team member's unique abilities significantly contribute to shared objectives. This approach fosters a cohesive blend of strengths, promoting collaboration, innovative problem-solving, and resilience

within the team dynamic. Therefore, talent management within the framework of team-level diversity is not solely about acknowledging differences; it's about leveraging collective potential, nurturing individual strengths, and creating an environment where diverse talents harmonize for improved team performance and organizational advancement.

This study seeks to advance current research by examining how cohesion and intra-team trust mediate and convey the impacts of surface-level and deep-level diversity on team performance. The study places particular emphasis on both temporary teams and ongoing teams, exploring how the influence of diversity varies in shaping team performance based on the team type. Additionally, the paper investigates how time moderates the effects of surface-level and deep-level diversity on intra-team trust and cohesion, subsequently impacting team performance within the context of temporary teams and ongoing teams.

Theoretical Background

Surface-Level Diversity

Surface-level diversity refers to the differences among team members based on noticeable demographic characteristics, such as age, gender, marital status, and race/ethnicity (Pfeffer, 1983; Milliken & Martins, 1996). The similarity attraction theory (Byrne, 1971) explains how surface-level diversity impacts teams. It suggests that people are inclined to cooperate and work with those they perceive as similar to them due to social categorization and identity (Tajfel, 1982). This view posits that individuals tend to associate and interact more with those they perceive as similar, based on social identity, when given the choice (Byrne, Clore, & Worchel, 1966).

Deep-Level Diversity:

Deep-level diversity pertains to differences among team members based on psychological characteristics, such as beliefs, values, and attitudes (Harrison, Price, & Bell, 1998). Milliken and Martins (1996) described deep-level diversity as differences in "underlying attributes." Byrne (1971) highlighted deep-level diversity as an attraction between individuals based on similar attitudes. This idea was supported by Swann, Stein-Seroussi & Giesler (1992), suggesting that

individuals tend to interact more with those who share similar psychological characteristics, beliefs, and attitudes. Additionally, a negative mindset can attract interpersonal interaction within a team; for instance, individuals with a negative view on studying mathematics tend to gravitate toward others who share the same attitude (Locke & Horowitz, 1990). However, the relationship between deep-level diversity and how intrateam trust affects team performance has not been thoroughly explored.

Team Performance:
Scholars have defined team performance as a comprehensive framework involving inputs, processes, and outcomes (Guzzo and Shea, 1992; Hackman, 1997). It's a process-oriented construct that emphasizes the value of interpersonal relationships and combined efforts among team members (Klimoski and Mohammed, 1994). Team performance, as a process-oriented construct, emphasizes teamwork rather than merely task completion, focusing on interpersonal relationships influenced by communication, cohesion, and trust.

Ongoing Teams:
Ongoing teams are involved in continuous and repetitive business processes (Gann & Salter, 2000; Brusoni et al., 1998). These teams, such as functional departments in finance, human resources, operations, and marketing, synchronize departmental activities to achieve organizational goals (Mankin, Cohen, & Bikson, 1996). They consist of relatively stable members striving for common goals, solving problems, making appropriate decisions, and working together on future assignments.

Temporary Teams:
Temporary teams comprise unfamiliar individuals coming together for specific projects, dissolving once the task is completed (Brusoni et al., 1998). Examples include airline cabin crews, election campaign committees, theatre and architectural groups, auditing teams, juries, special task forces, and project teams. These teams are formed for unique projects requiring one-time outputs, such as developing new products or services (Cohen & Bailey, 1997). Their non-routine tasks demand high technical knowledge and decision-

making to achieve project goals (Saunders & Ahuja, 2006). While becoming increasingly common in organizations, temporary teams often involve high risks and stakes.

Cohesion and Intrateam Trust:

Cohesion is a significant predictor of group behavior, indicating strong attraction and affinity among team members. It describes the development of interpersonal relationships within a team and the high level of closeness and satisfaction among its members. Cohesion can be understood as the attraction to the group, satisfaction with fellow members, and the social interaction shared among them (Hu, Yao, & Zhang, 2021; O'Reilly et al., 1989).

Trust, on the other hand, is the willingness of one party to be vulnerable to another party's actions, based on the expectation that the other party will act in a way crucial to the trustor, regardless of the ability to monitor or control that party (Mayer, David, & Schoorman, 1995). Intrateam trust is fundamental for fostering strong relationships among team members. It embodies the mutual belief and perception individuals hold for their fellow team members (Jong & Elfring, 2010), relying on each other's dependability, thus enhancing performance (Dirks, 1999; Hu, Yao, & Zhang, 2021). This trust revolves around the belief that every member will contribute their best and add significant value to the team's project.

Propositions

Diversity, Intrateam Trust and Team Performance

Intrateam trust plays a vital role in team performance and forms the foundation for cooperation within organizations (Zand, 1972; Porter & Lily, 1996; Langfred, 2004). However, the connection between diversity, intrateam trust, and team performance lacks exploration in existing literature, particularly in how this relationship varies between temporary and ongoing teams.

Temporary teams are structured to accomplish specific objectives, emphasizing the intentions of group members for the given task. Interactions are brief and task-focused in these settings, leading individuals to gravitate

towards those who share similar demographic attributes (Byrne, 1971; Byrne, Clore, & Worchel, 1966). This fosters social integration (Katz & Kahn, 1978; O'Reilly, Caldwell, & Barnett, 1989), supported by theories by Hoffman (1985), Ward, La Gory & Sherman (1985), and Tsui and O'Reilly (1989), which associate social integration with demographic characteristics like age, race, and education. This social integration nurtures trust among team members, as there's a general tendency for team members to perceive those with shared social categories as more trustworthy (Hu, Yao, & Zhang, 2021; Tajfel, 1981; Smith et al., 1994), subsequently impacting team performance (Klimoski & Karol, 1976). In professions like investment banking, trust-building among similar professional group members significantly influences team performance (Meyerson et al., 1996). Therefore, in temporary teams, surface-level diversity impacts intrateam trust, influencing team performance.

Conversely, in ongoing teams, frequent interactions lead to interpersonal trust strongly affecting team performance (Jong & Elfring). Research by Jehn and colleagues (1999) demonstrated that within ongoing teams, increased interpersonal interaction occurs due to the cyclical nature of business processes. This heightened interaction encourages individuals to be drawn to those with similar attitudes, personalities, and values (Byrne, 1971; Schneider, 1987), laying the groundwork for intrateam trust, which subsequently impacts team performance. Scholars have noted that individuals who perceive their internalized values as ideal tend to gravitate towards those with similar values, developing trust and striving to maintain those relationships (Gabarro, 1978; Butler, 1991). Trust in the work environment is influenced by underlying values, with those valuing trustworthiness more likely to perceive others as trustworthy (Rotter, 1980), further contributing to the propensity to trust in the workplace (Mayer et al., 1995).

In ongoing teams, interdependence among members shapes their attitudes towards one another, influencing trust and leading to cooperative behavior (Axelrod, 1984; Gambetta, 1988; Mayer, Davis, & Schoorman, 1995; McAllister, 1995), thus bolstering team performance. This cooperative behavior and interpersonal bonding are most evident in ongoing teams due to frequent, valuable interactions (Saunders & Ahuja, 2006). Given the theoretical

framework and empirical research in the field, the following propositions are suggested:

Proposition 1a: Surface-level diversity is positively related to team performance in temporary teams.

Proposition 1b: Surface-level diversity is negatively related to team performance in ongoing teams.

Proposition 1c: Deep-level diversity is negatively related to team performance in temporary teams.

Proposition 1d: Deep-level diversity is positively related to team performance in ongoing teams.

Proposition 2a: Intrateam trust positively mediates the relationship between surface-level diversity and team performance in temporary teams.

Proposition 2b: Intrateam trust negatively mediates the relationship between deep-level diversity and team performance in temporary teams.

Proposition 2c: Intrateam trust negatively mediates the relationship between surface-level diversity and team performance in ongoing teams.

Proposition 2d: Intrateam trust positively mediates the relationship between deep-level diversity and team performance in ongoing teams.

Diversity and Cohesion Related to Team Performance
Cohesion within a team signifies the level of attraction among its members based on interpersonal relationships. The dynamics of cohesion are influenced by the nature of teams within an organization and the diversity present. The similarity-attraction theory, as referred by scholars (O'Reilly et al., 1989; Smith et al., 1994), explains the impact of diversity on cohesion. This theory assumes that individuals tend to perceive similarities in attitude based on demographic

resemblances, thereby fostering attraction among team members (Grossman, Nolan, Rosch, Mazer, & Salas, 2022).

In temporary teams, similarity in demographic factors plays a more significant role than overt demographic differences in determining cohesion (Harrison et al., 1998; Wang, Cheng, Chen, & Leung, 2019). Studies investigating diversity's impact on group cohesion have resulted in mixed findings, with some attributing different effects to various types of diversity. Researchers suggest that the impact of diversity on cohesion might vary depending on the type—whether surface or deep level (Grossman, Nolan, Rosch, Mazer, & Salas, 2022; Milliken & Martins, 1996). Hence, the effect of cohesion in surface-level diversity is more pronounced in temporary teams where members are attracted to each other based on surface factors.

Cohesion is a recognized catalyst for team performance (Evans & Dion, 1991; Gully, Devine, & Whitney, 1995; Mullen & Cooper, 1994). Research has indicated that cohesion represents the social dynamics of team relations, subsequently impacting the team's collective beliefs about performance (Spink, 1990; Xie & Johns, 2000). Relations among team members influenced by surface-level factors might contribute to the development of social cohesion within the team. Consequently, in the context of temporary teams, the combination of surface-level diversity and cohesion might significantly impact team performance . In ongoing teams, where members engage in repetitive tasks towards a common objective, frequent interactions lead to a deeper understanding of individuals, surpassing stereotypical thinking. This results in strengthened deep-level diversity within ongoing teams. Members interact beyond demographic differences, fostering reduced prejudice and conflicts, thus enhancing group cohesiveness (Amir, 1969). A better understanding among members leads to increased cohesion. Therefore, the observed propositions in this study are as follows:

Proposition 3a: Cohesion mediates the relationship between surface-level diversity and team performance in temporary teams, such that cohesion is positively related to team performance.

Proposition 3b: Cohesion mediates the relationship between deep-level diversity and team performance in temporary teams, such that cohesion is negatively related to team performance.

Proposition 3c: Cohesion negatively mediates the relationship between surface-level diversity and team performance in ongoing teams, such that cohesion is negatively related to team performance.

Proposition 3d: Cohesion positively mediates the relationship between deep-level diversity and team performance in ongoing teams, such that cohesion is positively related to team performance.

Moderation Effect of Time on the Team Composition Variable
Research across organizational behavior, psychology, and sociology has discussed varying impacts of time on surface and deep-level diversity. Harrison, Price, and Bell (1998) suggested that time is a crucial factor influencing teams, particularly in determining the effect of diversity on cohesion. Initial attractions are often based on surface factors like demographic variables: gender, marital status, and race/ethnicity. In temporary teams, cohesion tends to strengthen based on similarities in these surface factors. Individuals are naturally drawn to and find comfort in those they perceive as similar (Bell, 2007), but this connection doesn't typically extend to deep-level diversity.

Conversely, in ongoing teams, the impact of surface-level diversity on cohesion diminishes over time due to frequent interactions. With valuable interactions among team members, individuals tend to look beyond surface factors and gain a deeper understanding of one another. The cohesion formed based on initial interactions weakens over time. As time passes, the impact of surface-level diversity on cohesion diminishes in ongoing teams.

In temporary teams, swift trust is often built on attraction to demographic attributes seen in other team members (Meyerson, Weick, & Kramer, 1996). However, due to the passage of time and more valuable interactions among team members, individuals tend to focus on attitudes, values, and beliefs,

shifting away from surface-level factors. Consequently, swift trust based on surface factors diminishes in ongoing teams, resulting in a lesser impact.

Hence, the following propositions are suggested:

Proposition 4a: Time will moderate the relationship between surface-level diversity and cohesion, such that time will lower the effects of surface level diversity on group cohesion in the context of ongoing teams, and will higher the effect in the context of temporary teams.

Proposition 4b: Time will moderate the relationship between surface-level diversity and intrateam trust, such that time will lower the effects of surface level diversity on intrateam trust in the context of ongoing teams, and will higher the effect in the context of temporary teams.

In contrast, while there are limited studies on deep-level diversity in the workplace, many social psychological studies assert that similarity in attitudes, beliefs, and values significantly predicts attraction and acquaintanceship (Byrne, 1971; McGrath, 1984; Newcomb, 1961). Exchange theory suggests that similarity in attitudes eases interpersonal interactions (Thibaut & Kelley, 1959). Understanding organizational work and similar personality characteristics may enhance communication and reduce role conflicts. Individuals initially categorize team members based on stereotypes, but these categorizations tend to fade with time as team members acquire more information and become more aware of each other's personality traits. Over time, team members alter their initial perceptions based on surface-level factors, further supporting group cohesion. As time progresses, deep-level diversity strengthens among work group members, referring to differences in attitudes, values, and beliefs. This is due to increased acceptance of members who were initially perceived as outliers based on surface-level differences.

Here are the proposed propositions:

Proposition 5a: Time will moderate the relationship between deep-level diversity and cohesion, such that time will increase the effects of deep level diversity on group cohesion in the context of ongoing teams, and will lower the effect in the context of temporary teams.

Proposition 5b: Time will moderate the relationship between deep-level diversity and intrateam trust, such that time will increase the effects of deep level diversity on intrateam trust in the context of ongoing teams, and will lower the effect in the context of temporary teams.
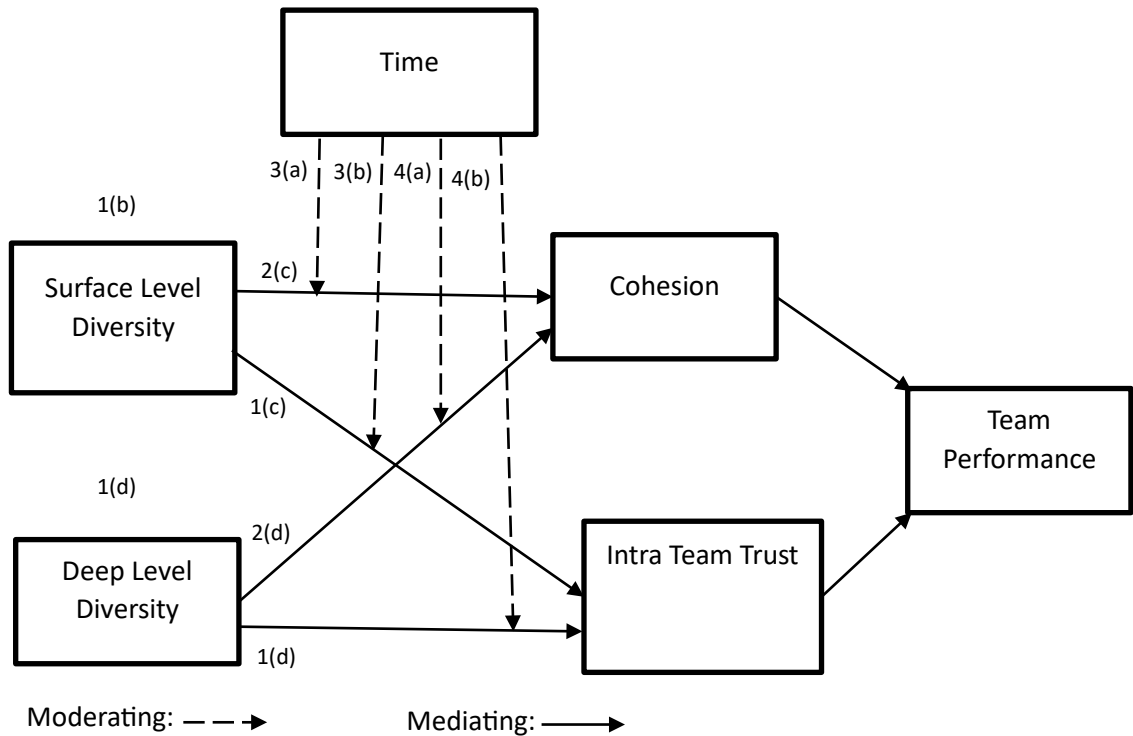
Conceptual Model

Figure 1: In the setting of a temporary team
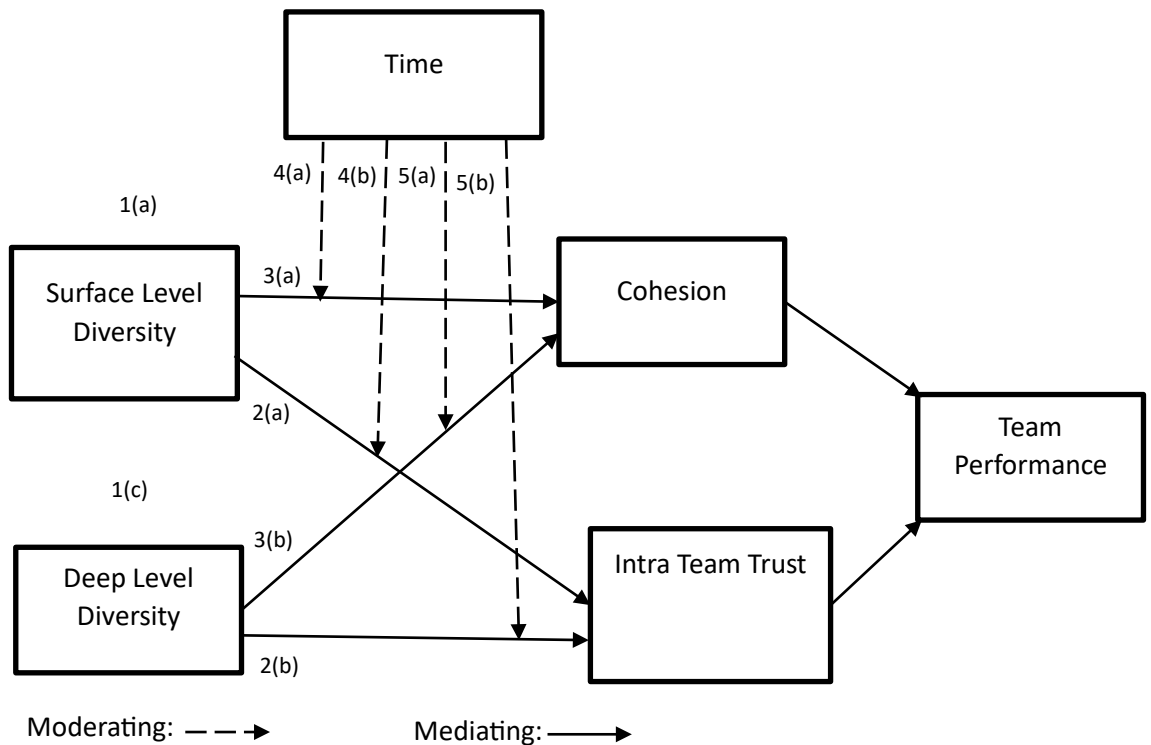
Source: Authors own work

Figure 2: In the setting of ongoing teams

Source: Authors own work

Conclusion

This research focuses on the vital aspects of team diversity and performance, aiming to explore the correlation between surface-level and deep-level diversity and their impact on team performance. The model proposed in this paper delves into (1) the mediating effect of cohesion and intrateam trust on surface-level diversity and team performance in temporary teams, and (2) the mediating effect of cohesion and intrateam trust on deep-level diversity and team performance in ongoing teams. Moreover, the model discusses the moderating effect of time on various relationships: (1) surface-level diversity and cohesion, (2) surface-level diversity and intrateam trust, (3) deep-level diversity and cohesion, and (4) deep-level diversity and intrateam trust. According to Pfeffer (1983), psychological characteristics have significant effects on group performance, but existing approaches have not comprehensively addressed the distinct roles different diversities play due to variations in team objectives.

In temporary teams where projects are unique and non-recurring, there's less anticipation of future interactions among team members. Surface-level factors like age, gender, and race/ethnicity govern the initial attraction among team members. The similarity-attraction theory influences the formation of cohesion and trust based on these demographic similarities. Swift trust is formed among team members, positively mediating the relationship between surface-level diversity and team performance. However, deep-level diversity has an insignificant effect on trust and cohesiveness in temporary teams due to the lack of interpersonal attraction and the uniqueness of project objectives.

Conversely, ongoing teams engage in stable and recurring projects, where knowledge of similarity in attitudes, beliefs, and values fosters continuous association. In these settings, the effects of intrateam trust are more pronounced with deep-level diversity, encouraging improved team performance by enhancing communication, cohesiveness, and reducing competitive behavior. Time moderates the relationship between team diversity and performance, as it enables individuals to connect with like-minded team members, fostering trust and positively influencing team performance.

Future direction of research

While this model suggests a specific direction for study by focusing on the mediation effects of cohesion and intrateam trust, future research can explore the relationships from different angles. For instance, contrary to some citations, certain studies suggest that gender and race/ethnicity dissimilarity can reduce trust and team integration, negatively affecting team performance. Exploring alternative mediators beyond cohesion and intrateam trust and understanding their impact on surface and deep-level diversity in both temporary and ongoing settings could provide a broader perspective.

Research in this area is essential for enhancing firm performance despite the prevalent heterogeneity within teams. Investigating various mediating factors and their influences on team performance could offer crucial insights into team dynamics and performance enhancement in diverse settings.

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