

VALIDATING THE PRACTICAL APPLICATIONS OF EMPLOYEE INCLUSIVITY IN TALENT MANAGEMENT PROCESS

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Abstract

The concept of employee inclusivity stands as a more neglected lexicon in its practical applications. The more contentious situation is that employee inclusivity is considered more as a wit and contour. Employee exclusivity is widely appreciated for its ease of administration and its explicit benefits. But the concept of employee exclusivity thoroughly violates the humanistic and ethical components of talent management and affects the organizational health in a hazardous manner. In this study the researcher attempts to pinpoint the organizational advantages and challenges in adopting an inclusive framework for talent management. This study drawing data from IT employees uses confirmatory factor analysis and structural equation model to elicit the conceptualization of employee inclusivity and its impact on organizational health. The findings of this study can be used to gain more practical insights about operationalizing talent management in more inclusive style and related implications.

Key words: Talent management, Talent philosophies, Inclusive paradigm, Organizational health

Introduction

Talent management as both an academic interest and practical intervention requires careful examination of the way it is implemented to ensure success in the 21st century. Till date talent management was conceptualized and implemented to cover the talent of only start talent. The degrees of employee exclusivity is peak in all the walks of industries (Moghaddas, Jajarmizadeh, & Abbasi, 2020). The features and benefits of employee inclusivity remains a

practice of preaching, yet the actual benefits of applications are bountiful. With the present scenario of war of talent and skill mismatches, adopting an inclusive approach to talent management is the only strategic solution to answer the talent uncertainties(Swailes & Downs, 2014). By meaning inclusive we not only contradict the employee exclusive practices but also take the organization a step ahead in managing the organizational health. Employee inclusivity is considered as an approach in which not only the top talent of the organizations is managed, but the wholesome approach is taken. Everyone is considered talent and every skill in the organization is valued. Practicing inclusive talent architecture has many potential benefits, although only less attention is paid into it(Lopes, 2016). So far so much have been researched and suggested about the degrees and practices of talent management, little have been done to explore the benefits of inclusive talent practices. In many literatures inclusive talent practices have often been criticized for lack of clarity and unacceptability in an organizational framework(Gold, Oldroyd, Chesters, Booth, & Waugh, 2016). Inclusive talent management was moreover considered as a vague concept without any authentic evidence regarding its impact on organizational parameters(Meyers, van Woerkom, Paauwe, & Dries, 2020). Pioneer thinkers of talent management have considered inclusivity as just another talent philosophy without any collective attention. In this research the researchers strive to conceptualize employee inclusivity in IT context and thereby analyzing its consequence on organizational health.

This study makes two fold contributions to the theory and practice of talent management. . First it operationalizes inclusive talent management as a construct which is still unavailable in the existing literature. Inclusive talent management has been so far considered as a philosophy which does not have any scope or relevance in the present competitive environment. Talent management which is built on the shoulders of social exchange theory, neglects the humanistic point in its due course of implementation. Secondly, this study offers practical guidance and insights to the management to focus on employee inclusivity in managing their employee talent.

Theoretical framework and hypothesis

Talent management is a construct that lacks a structured definition(Ross, 2013). This concept has different meaning based on the context in which it is used. There are many talent philosophies in which exclusive talent management and inclusive talent management are the widely stressed(Christensen Hughes & Rog, 2008). Talent as acquired and innate, talent as a gift, talent as a skill is other major philosophies underlying talent management(Leary-Joyce, 2009).

The fight between an exclusive talent framework and inclusive talent framework is most common for the short term benefits the former yields in organizational framework. Exclusive talent management was based on employee differentiation in which only a start pool of employees are considered as talent. An exclusive talent management practice heavily relies on workforce differentiation in which the skills and contribution of selective employees are valued and the contribution of every other individual are out rightly denied(Kumar & Raghavendran, 2013). Practicing employee exclusivity has gained more advantage for the inherent benefits it brings up on. Employee exclusivity is top management oriented and is less costly since the investment in only on small portion of employees. Employee is favoritism oriented and only those 'apple in the eyes' are selected in the process. Employee exclusivity has many short term benefits like cut off cost, it is easy to concentrate development of a few and high lucrativeness for the business(Nilsson & Ellström, 2012). On the other hand in long run, employee exclusivity leads to derailing the unrecognized talent, low employee morale, high turnover and a poor employer image to the companies.

Employee inclusivity offers a long standing solution to the hindrances in managing employee talent. Employee inclusivity offers a wide spectrum in which the talent of all the employees are valued and recognized in the organizational process(Cheese, 2008). It is based on the belief that every employee poses certain skills which are critical for the success of the business. Practicing employee inclusivity provides a signal that the talent of all the employees are valued and recognized in the talent management process. It improves the employee morale and positively caste an impact on the psychological contract of the employees(Poisat, Mey, & Sharp, 2018).

This study is based on the social exchange theory in which speaks about the deliverables of the management and the employee reaction in return. According to the social exchange theory, an employee perceives it better and works efficient if he is given a conducive atmosphere(Kwame Mensah, Nyigmah Bawole, & Wedchayanon, 2016). This theory further means that employee not only work for money and other extrinsic rewards, but also strives for the intrinsic rewards such as motivation, recognition, participation and fair treatment among other employees. Though there are many benefits for practicing inclusive approaches, a curated organizational health is a quintessential element. Organizational health reflects the positive vibe surrounding the work environment, the joy of all the employees and affects the unending

commitment of the workforce(Pfeffer, 2001). A good organizational health is a long term symptom of proper managerial intervention and workforce satisfaction. Hence it is hypothesized as:

H₀: Adopting an inclusive talent management practices have significant positive impact on organizational health of sample companies such the presence of sound employee inclusive practices will result in better organizational health.

Methodology and measures

This study is designed to analyze the positive impact of employee inclusivity on organizational health of select IT companies. For this purpose the researcher had collected sample from a group of 449 respondents working in various IT companies in Coimbatore,Tamilnadu, India. Since, talent management still remain as a favorite child of only large scale companies, only those companies that have recognizable talent management practices were selected for the study. Three Indian based IT companies were selected for the studies that are using talent management for managing employee diversity. After a careful examination of the annual reports of these companies, it was found that though the companies have started embracing talent management as a major human resource intervention, the practices of employee exclusivity and workforce differentiation is on an alarming rate. The researchers cannot disclose the name of the companies stating confidential reasons. The employees of these companies were administered a well-structured questionnaire which was kept simple and minimal to capture accurate result and respect the respondents time. A total of 660 questionnaires were distributed directly and via email. Few respondents were eliminated on account of inconsistency and incompleteness of the data provided. Finally the data was analyzed using confirmatory factor analysis and structural equation modeling to study the impact of inclusive talent practices on organizational health.

Measures:

Since there is a lack of empirical studies that analyzes the potentials of employee inclusivity, the researchers have themselves operationalized the construct using direct observation, opinions and various other research findings. Here, employee inclusiveness was measured based on five main aspects- talent recognition, talent labeling, talent communication, talent engagement and talent participation. Employees were asked questions that relates to above five dimensions of inclusive practices. The dependent variable, organizational health was

measured using seven items each reflecting the positive characteristics of organizational health(North & Fiske, 2015). The various literatures on organizational health was used and modified for better suitability with the current study. A detailed description of the items used is also enclosed at last. All the constructs were measured using a five point scale in which five measured the strong agreement of the respondent and one reflects his disagreement with the statement. Test of reliability and validity was conducted to indicate the goodness of the measurement model. The Cornbach reliability, convergent validity ($AVE > 0.5$) and divergent validity was properly observed in the constructs.

Analysis of data

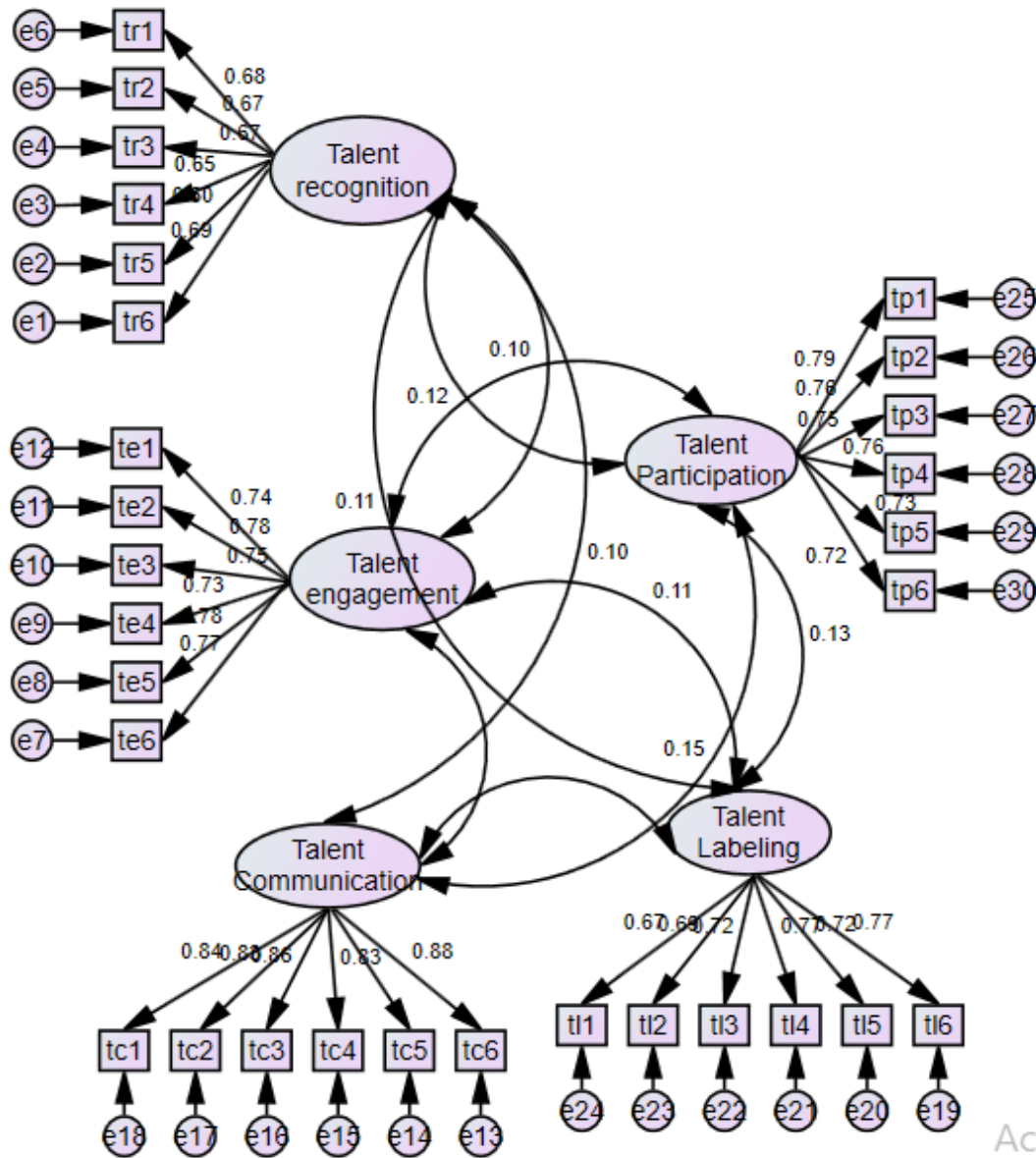


Fig 1

Confirmatory factor analysis of Employee inclusivity

Table 1- Indicating the necessary fit indices of the measurement model

Fit indices	CMIN/DF	P	GFI	AGFI	RMR	RMSEA	TLI	CFI	NFI
Observed values	1.45	0.08	0.96	0.93	0.06	0.04	0.93	0.92	0.97
Cut off values	<3	>0.05	>0.9	>0.9	<0.1	<0.1	>0.9	>0.9	>0.9

Source: Computed data

The results prove the statistical fitness of the construct, since the fit indices have attained the desired threshold limits. Hence it can be concluded that the constructs introduced in the study meets necessary approval before proceeding to the structural model.

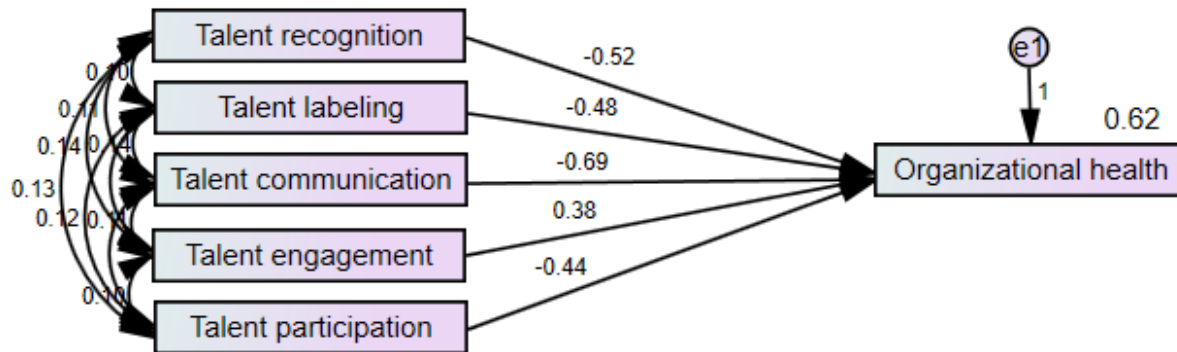


Fig 2

Impact of employee inclusiveness on organizational health

Table 2

Indicating the results of structural model to assess the impact of employee inclusivity on organizational health

H₀: Adopting an inclusive talent management practices have significant positive impact on organizational health of sample companies such the presence of sound employee inclusive practices will result in better organizational health.

Relationship	Structural coefficients	Significant	Model fit indices	Observed values
Talent recognition Vs. organizational health	-0.52	Yes	CMIN/DF	1.29
Talent labeling Vs. Organizational health	-0.48	Yes	P	0.10
Talent communication Vs. Organizational health	-0.69	Yes	GFI	0.95
Talent engagement Vs. Organizational health	0.38	Yes	AGFI	0.90
Talent participation Vs. organizational health	-0.44	Yes	RMR	0.04
			RMSEA	0.03
			CFI	0.94
			NIFI	0.92
<i>R- Square= 0.62</i>				

Source: Computed from primary data

The table shows the result of structural coefficients between the employee inclusive practices and organizational health of the companies. The structural coefficients denote the impact of each variable over the organizational health. All the variables have casted significant impact on the organizational health, through four of the study variables are said to have a negative influence. Employee participation is the only study variable having positive impact on the organizational health. The R-square value shows that any change in the existing scenario of employee inclusivity will result a 62% change in the level of organizational health.

All the indices representing model fitness of the structural model was found appropriate.

Result and discussions

The results of this study are never a surprise to the researchers, fraternity nor the talent management practitioners. As read from the annual reports of the companies the level of talent inclusion in these IT companies are very low. It was observed that the companies adopt very low degrees of employee inclusivity which was rightly and negatively reflected in its organizational health. The results of confirmatory analysis were found to be valid and the items used in this

study can be used to conceptualize the degrees of employee inclusivity in managing employee's talent. The entire necessary model fit indices such as GFI, AGFI, CFI, TLI, RMR, RMSEA, normed Chi-square and probability value was found to be within the threshold limit, marking the necessary model fit for the construct.

It is observed that the proposed structural equation model was also statistically fit. All the above mentioned fit indices were satisfied in the structural model also which indicates the robustness of the study and the scope practicing employee inclusivity by the organizations. It was observed that all the variables except talent engagement have negative impact on organizational health. It is evident that talent communication and talent recognition are the most dangerous constructs casting major shadow on the state of organizational health. This observation reflects the degrees of employee differentiation these companies adopt in managing the workforce talent. Talent management is widely a psychological process that assists the employees in excelling their skills and contributing significantly for the sustainable achievement of the organizational goals(North & Fiske, 2015). But in the name of managing the employee talent, the employees are becoming a scapegoat in the hands of corporate management and their outdated policies.

Recommendations and implications

The finding of this study highlights the state of people management in IT companies and it's already too late to leave it untouched. The management of these companies and other industries should do a second round of thinking regarding the way their employee talent is managed. The companies are using outdated talent management practices which are largely oriented on money and profitability but ignore the emotional wallets of employees. The company should always remember that the success of it depends on the whole system, not just on one man or a star talent pool. Hence the companies should start adopting innovative practices for managing their talent holistically and difficult to imitate by their competitors. Talent recognition should be made more inclusive, focusing on the skills and talents of all employees and not just few. In addition to employing a robust mechanism for talent identification, it should be communicated among the employees also in time to time. All the employees must be managed in an egalitarian way and should be treated alike. The employee should be allowed to manage their own career and should be allow growing boundary less.

This study has both theoretical and practical implications. Theoretically this study pinpoints the lack of operationalization and proposition to prove the merits of employee inclusivity or rather demerits of employee exclusivity. This is the first study that concentrates only on the levels of employee inclusivity very much only to prove its neglected role in the talent management framework. Practically, the companies should try to understand the compromises they are imposing on themselves in the names of workforce differentiation and employee exclusivity. In an industry characterized by the existence of wide variety of skills, no skill or no role should remain unattended. Everything remains unattainable until the first rock is moved. And nothing is impossible for a company which builds its strength on the shoulders of ALL employees.

Conclusion

This study analyzed the consequences of adopting exclusive talent management architecture in IT sector scenario. An attempt to conceptualize the level of employee inclusivity in the said framework has proved as an eye opener for further enquiries into the state peoples talent is being managed. The findings of this study could be used to alter the existing talent management system to make it more inclusive and employee oriented. The talent management framework should be humanistic in nature serving to the needs of all individuals in a similar manner.

Limitations and scope for further research

This study being the first of its kind to make empirical analysis of the talent inclusivity is grounded on some limitations. First, it is conducted on the IT sector scenario specifically based on large scale organizations. The universal applicability of these findings is a matter of question across other industries. The study only analyzes the direct impact of employee inclusivity on organizational health, but in reality there may be some connectors in between which were not considered in the study. To overcome the limitations, further detailed researches in the filed of talent management and employee inclusivity is required. This necessitates ample scope for future studies in this theme that can concentrate on the levels of employee inclusivity, various factors and impediments to employee inclusivity and its pros and cons in organizational framework. More studies should be designed and developed that help in better operationalization of employee inclusivity in more practical ways.

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