

Pulse of the “Make In India” Campaign: Talent Management

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Abstract

“Make in India” is the international marketing slogan coined by the Honourable Prime Minister of India, Narendra Modi on September 25, 2014 to attract business from around the world to invest and manufacture in India. The campaign ‘Make in India’ is aimed at making India a manufacturing hub and economic transformation in India. The “Make in India” programme includes major new initiatives designed to facilitate investment, foster innovation, protect intellectual property and build best-in-class manufacturing infrastructure. With the fast changes in business dynamics, globalization and intense market competitiveness, success is heavily dependent on fully leveraging the strength of its people. HR has to play a leadership role here. However alignment of HR strategy with the business strategy is critical and key to success of the organization. The challenges which organizations encounter today are attracting and developing human capital, talent acquisition and relevance cum retention of Gen “Y” and ensuring fundamental and long lasting changes. “Talented Employees build an organization and are the gateways to success”- human resource managers, the world over, have come to realize this fact and are burning the midnight oil in working out strategies towards this end. It is the employee’s talents and skills that define the future of a business by giving it a competitive edge over others.

So it is essential for manufacturing industry to take human resources more seriously in this day and age as the good practice of talent management will maintain and attract highly qualified personnel therefore placing the organization at a competitive advantage. The main aim behind this paper is to highlight the importance of the role of Talent Management in making “MAKE IN INDIA” campaign a success; making INDIA a manufacturing hub and a bench mark of development and prosperity.

Key Words: Human Resources, Talent Management, Employees, Manufacturing Industry.

Introduction

The 15th and current Prime Minister of INDIA “Mr. Narendra Modi” unveiled the “MAKE IN INDIA” program on September 25th 2014 in New Delhi. He along extending an invitation to foreign firms to invest in INDIA also solicited the CEOs of domestic firms to invest in INDIA by saying that, “There is no need to leave the nation. We want our companies to shine as MNCs”. The MAKE IN INDIA program laid the foundation of India’s new national manufacturing policy and rolled out the red carpet to both domestic and international industrialists with an aim to make India a manufacturing hub that will in turn boost the employment and overall growth of India. The program lays emphasis on 25 sectors such as automobiles, chemicals, IT, pharmaceuticals, textiles, ports, aviation, leather, tourism and hospitality, wellness, railways, auto components, design manufacturing, renewable energy, mining, bio-technology, pharmaceuticals, electronics, etc. with focus on job creation, skill enhancement, economic, technical as well as overall infrastructure development. It also focuses on giving Indian industry a global recognition. The Prime Minister of India Mr. Narendra Modi has made a strong pitch for Make in India to promote manufacturing in India. One of the major objectives of this campaign is to make India a manufacturing hub with the aim of creating more jobs and to attract investments and talent to create and build innovative & quality products in India. In short the campaign is conceived and designed to achieve multiple objectives and far reaching impact on the economy.

The campaign has driven the Human Resource departments of organizations in India to rethink their strategies owing to the change in requirements which include the following aspects: Organisation’s vision towards human resource

management and expectations from workforce, Strategies for talent attraction, development and retention and Strategies for employee relations (Jones & Newhouse, 2004). Despite the high decibel campaign, budgetary provisions & incentives, the Make in India campaign may trip over a most insidious HR issue of Talent Availability.

A discussion on Talent Management would be incomplete without an understanding of the word "Talent". Talent in general parlance refers to a natural recurring pattern of thought, feeling or behavior that can be productively applied (Berger & Berger, 2004). Talent is natural and innate but knowledge and skills needs to be acquired through learning and practice. Talent enlarged with skill and knowledge leads to individual strengths (Buckingham & Clifton, 2001). The term talent management is an extension of the word talent and includes the entire gamut of activities and steps that organizations undertake to retain talent worthy individuals.

"Talented workforce" is the only scarce resource and corporate have come to realize this fact. This is the very reason why retention occupies the topmost seat in the human resource manager's "to - do" list. Retaining talent is the need of the hour, in today's dynamic and competitive era (Michaels, Handfield-Jones & Axelrod, 2001). This is exactly what led human resource managers the world over to search for a newer way out of this crisis because the traditional approaches were no longer able to sustain employees. This quest for a better concept led to the birth of talent management – a newer approach conceptualized to move towards retention of talent ship. Since then, there was no looking back and the field of literature on talent management started growing leaps and bounds and within a short span of time "Talent Management" has become the mantra for corporate success (Singh & Sabbarwal, 2010). Though the concept is not of recent origin its value augmenting ability has been recognized only recently. Companies which initially thought of talent management as a means to solve high employee turnover, have learnt to incorporate it in their corporate strategy itself with a key responsibility placed on the line managers (Reilly, 2008). However, in the Indian context, talent management as a concept is quite young, leaving room for a lot of ambiguity and lack of clarity to exist for practicing professionals (Nair, 2009).

The success of Make in India will largely depend on whether Make in India campaign will be able to attract requisite talent to the manufacturing sector or not. This talent management issue is more than a knowledge and skill issue, it is an Attitude issue.

Objectives of the Study

1. To describe the concept of Make In India.
2. To study benefits of talent management practices to an individual or an organization.
3. To find out the key success factor (s) for Make in India campaign.

Need of the Study

The idea of developing talent is not new; the need for talented employees has always been existent right from times immemorial. However, the crisis for talented employees has struck the manufacturing industry only today, due to the changing paradigms of workforce in the present era. With mobility no longer a concern for workforce and shift in the psyche of the Gen Y, retaining talent is becoming a crucial job of the human resource managers. This has led to a global war amongst conglomerates for devising and incorporating suitable talent management practices into their systems. All these factors have brought talent management- as a discipline of study, at the helm of affairs. The present study was conceptualized

due to this very fact itself and In order to develop India as a manufacturing hub, match expectations with the opportunities; the role of talented human resource cannot be overlooked. And if talent management is ignored, the MAKE IN INDIA will just become a slogan and nothing more.

Talent Management in Manufacturing Industry

Manufacturing is defined in Factories Act, 1948 as "Manufacturing process means any process for:

- Making, altering, repairing, ornamenting, finishing, packing, oiling, washing, cleaning, breaking up, demolishing or otherwise treating or adapting any article or substance with a view to its use, sale, transport, delivery or disposal or
- Pumping oil, water, sewage or any other substance or
- Generating, transforming or transmitting power or
- Composing types for printing, printing by letter press, lithography, photogravure or other similar process or book binding,

- Constructing, reconstructing, repairing, refitting, finishing or breaking up ships or vessels,
- Preserving or storing any article in cold storage

Manufacturing holds a key position in the Indian economy, accounting for nearly 16 per cent of real GDP in FY12 and employing about 12.0 per cent of India's labor force (India Brand Equity foundation, 2012). In absolute terms, India is 12th in the world in terms of nominal factory output.

Talent Management in Manufacturing as given by (Guay, 2014)

- Identify competence requirements for every employee in the organization, or at least those that affect product quality.
- Adapt the system to capture all of the components of competency (e.g. education, skills, training and experience) and can support the method an organizations uses to determine competency requirements for a specific employee.
- Identify individual competence and skill gaps, and assign targeted actions, and create development plans as part of the evaluation process.
- Initiate a competency assessment outside of the scheduled performance appraisal process.
- Evaluate and demonstrate the effectiveness of actions taken to improve competence.

Talent management becomes crucial in manufacturing industry as often employers spend huge amount of time and money in training their employees in areas such as six sigma, lean and in other technical areas (Dimba & K'Obonyo, 2009).

Industrial manufacturing companies are having difficulty filling jobs, even with relatively high unemployment rates in many countries. The problem is getting the right people for the available jobs (Kuvaas & Dysvik, 2005). There is increasing competition for talent and manufacturing is not always viewed as offering the most attractive career prospects. For some, the memory of industry layoffs and worker concessions during the economic downturn have eroded loyalty and tarnished the view of manufacturing as a relatively safe place to build a career (Ordonez de Pablos, 2004). For young people, manufacturing holds no cache. It is not regarded as a place to build a professional career. Even now, with manufacturing once again growing and profitable, the industry is not drawing the talent it needs to support growth (Philip & Chauhan, 2011).

Manufacturing in India has typically been perceived as noisy, dusty, polluted, dimly lit, poorly ventilated, claustrophobic workplace spread with too many rickety machines making rattling sounds and the drab, colourless buildings called sheds situated on the remote industrial areas where people have to work with helmets on their head, mask on their mouth, steel toe shoes and possibly an earplug as well (Singh & Sabbarwal, 2010). Commuting from their distant homes in nearby town to the factory over a pot-holed road sap their energy even before they reach the factory in a worn out bus wearing same uniform and who possibly cannot be recognized from their backs. People have to shout on the shop floor to converse with a colleague (Nair, 2009).

Cut to an IT or service organization where a swanky, air-conditioned, glass building office in the most happening business centre of town with spacious cabins, vacuum-cleaned carpeted floors, soft background music with a fresh whiff of room fragrance marked by the sounds of clicks of mouse, taps of keyboard and occasional melodious ringtone of latest model mobile phone awaits employees getting down from AC cabs dressed in latest fashion designer clothes and trendy suits (Philip & Chauhan, 2011). They occasionally wear earplugs but only to listen to their favourite music on their mobile phone/tablet/ laptop or to chat over long phone calls (Nair, 2009). Employees talk in so low voice that an occasional shout draws the attention of all the fellow office colleagues.

Over recent years, the culture of hard working has been pushed down the cliff in favour of smart working and smartness is now associated more with design and style elements rather than inherent cognitive function. Smartness has now become a more feminine attribute. It's the dressing, lifestyle, looks, gadgets and accessories which has redefined the word smart. A smart workplace is defined due to its smart employees and an employee working for IT or service epitomizes the smartness (Nair, 2009). Attraction of job profile involving overseas travels, jet hopping, meeting rooms, fancy presentations, weekend parties have lured most of the best talent to IT & services sector. Manufacturing jobs are considered so drab in comparison that people working in manufacturing are viewed as labour. Why would an IIT/IIM graduate prefer to work on manufacturing shop floor than an IT cabin?

Has Make in India campaign factored in and plugged the prevailing cultural and social loopholes to project

or make manufacturing an attractive career destination? The initial data and statistical indicators like IIP & GDP do not infuse much confidence.

Many manufacturing executives are aware of this challenge. Nearly half of the manufacturing CEOs in the 17th Annual Global PwC CEO Survey 2 say they are worried about the availability of key skills. They clearly recognize the importance of talent strategies in moving their business forward, with two-thirds saying that creating a skilled workforce is a priority for their companies (Wyatt, 2003). And nearly half of manufacturing CEOs say they plan to add staff this year.

Only 32 percent have implemented policies to attract or retain needed talent. This disconnect between aspiration and action is likely to cause a further gap in the future, unless companies take steps to reassess their human resource (HR) policies and make them more effective.

The art of talent management is focused on attracting and retaining the best people. It looks at whether a business has the right people to deliver, both in terms of quality as well as quantity. It looks at the key talent pool and determines which skills exist internally and what other skills are needed, now and in the future. This is by no means a simple task; and most CEOs do not believe their HR departments are well prepared to deal with the challenge (Zechmeister & Shaughnessy, 1997).

Companies know they must meet certain basic requirements in terms of pay, benefits, job security, and advancement opportunities. But, increasingly, this is not enough. Management needs to ensure that employees, especially top talent, are engaged and motivated to perform at a high level and that they have the tools they need to be successful (Berger & Berger, 2004). Management also needs to address the changing expectations of employees, particularly those in the millennial generation that are starting to enter the workforce. The industry needs to develop a value proposition for employees as compelling as the one it provides for customers (Reilly, 2008).

An IT or service organization is able to offer much higher salaries because of minimal infrastructure cost and high linkage of return with investment into human resources. A manufacturing company cannot compete with services sector for attracting talent. What incentive Make in India offers for modern youth to join manufacturing organization? Moreover perception plays an important role in creating a pull and attraction of talent towards a particular industry or company.

Benefits of Talent Management Practices

Talent management practices benefits both the individual and organization. So the discussion doesn't categorize the individual and organizational benefits since they are interconnected in nature. Talent management alignment to organizational strategy has a clear impact on the success of projects meeting their original goals and business intent (Reilly, 2008). Organizations in which talent management is aligned to organizational strategy have an average project success rate of 72 percent, while organizations in which talent management is not effectively aligned to organizational strategy have an average project success rate of 58 percent. The difference of 14 percentage points in project success rates equates to risking 50 percent more project dollars when talent management is not effectively aligned with strategy (Nair, 2009).

Talent management would anticipate human resource activities such as recruitment and selection, coaching, training and development, as well as performance management (Hamid, n.d.). The executive talent management process helps to build competencies, skills and career plans, maximize contribution, preparation for advancement or transitioning to retirement. In addition to contributing to the effective recruitment and retention of employees, an organization's talent management strategy should also contribute to employee engagement (Hughes & Rog, 2008).

Talent management practices also reaps benefits like meeting common talent challenges, implementing career paths, reducing communication challenges (Project Management Institute, 2013). Talent management allows organization's senior management to focus on employee potential and identify current and future career needs, highlights not only the career aspirations, but contribute to the organization through mentoring and knowledge transfer.

Effective talent management will have an indirect positive relationship with organizational performance, mediated by work motivation, organizational commitment, and extra role behaviour acting separately or in combination with one another (Collings & Mellahi, 2009).

Talent management systems are deployed to elicit desired role behaviours among the organization's talent pool and assist in realizing the organizations (Lepak & Shaw, 2008). Talent management if given

the proper development of skills and increased responsibility seeks to focus on an employee's potential, meaning an employee's future performance (Hamid, n.d.).

Talent Management strategies develop innovation capability and achieve a high level of performance. Talent management exercise adds rigor and structure for a more meaningful discussion with superiors.

Executive talent management process creates opportunity to connect with your executives about their interests; enables better support them in career development. Manager practicing talent management practices helps to know executives' needs, aspirations, willingness, and readiness for new challenges helps support succession planning and ensures that executives are well placed in their current roles (Reilly, 2008).

Talent Management enables the public service to keep and attract skilled leaders. Robust and progressive talent management will better equip the public service to have the right people, in the right place at the right time. Public service secretariat department of Newfoundland Labrador Government mentioned about the benefits of talent management practices (Public Service Secretariat - Government of Newfoundland Labrador, 2008).

Key Success Factors for Make in India

The basis of any manufacturing organization is money invested in it and human resource employed in it. In order to make India a most preferred destination for domestic as well as foreign investors, it is must to focus on financial and non financial (HR etc) activities. Indian work force is talented and adaptable.

India's youth population is both, a strength and threat. In order to bring the huge chunk of unemployed youth power in to employment stream, India needs to create millions of jobs every year. The new government, I believe, is aware of this fact and that's why the Make in India is so earnestly launched by the Prime Minister. Most of the western countries and even China are rapidly ageing, whereas India will continue to remain young for next 2-3 decades. So the aging world will have to depend a lot on India. Therefore, Make in India is not a short term programme. It will be an ongoing process, irrespective of the fact that whichever government is in power, the drive has to continue with the same thrust.

The success of any business depends on having the right talent in the right place at the right time. Matching talent to business needs is the name of the

game. In short, talent management professionals have to execute the organisation's talent management process. Talent management has to start from the interview process to check if the employee is a right fit to the organization till employee separation where the employee parts the organization.

HR managers should have detailed discussions with employees regarding the key enablers of performance in a given role job and develop individual growth plans to the extent possible. This activity should include an assessment of the competencies, knowledge, experience and personal attributes required from the incumbent of the role. The document should serve as a single reference point for the entire spectrum of talent management activities throughout the employee life cycle, especially for designing training interventions for 'need up gradation' areas. This ensures that employees see HR as an enabler, thus assisting them in not just performing better but being more capable and skilled individuals.

Talent strategy should be closely aligned with business strategy of the manufacturing industry in India. Effective talent management requires that the company's business goals and strategies drive the quality and quantity of the talent.

Develop people for current as well as future roles. It is very important to have proactively managed career transitions. Effective talent management requires not only developing people for current roles but also priming them for their next roles. Equating talent management with senior leadership succession management is a thing of the past. The novel approach requires talent management encompassing a far broader portion of the employee population so as to have leaders at every level of operations, thereby creating a culture of high performance. This will also in the long run reduce dependency on the market and will place the organisation in a position of home-grown advantage.

Age and maturity are not synonyms. Talent management is all about putting the right attitude at the right place. Functional skills, a go-getter attitude and an innate drive to excel are what today's a leader need and that is no longer dependent on the number of years spent working. As they say, the years in your life are not as important as the life in those years.

Invest in the best. It is extremely important to have the best people work for you, especially when the competition is fierce and the market is dynamic. To be able to do that, you need to ensure that the selection

process is impeccable and focused on evaluating functional, intuitive and cognitive skills. Using psychometric tools along with your gut feel will ensure you get the right person always.

Engage employees outside cubicles. Create a value proposition for individuals by offering work-life balance, stability and logistical convenience. To ensure consistent performance, it is very important to regularly communicate with your employees, through formal and informal channels. This coupled with activities like sports tournaments, hobby classes, outbound leadership trainings, etc, will ensure people continuously see staying with you as a value addition to their lives.

Customise your plan. While it is important to follow these strategies; it is equally critical to stay relevant and keep adapting them according to your business goals, market situations and upcoming trends. Change is the only constant and hence, HR professionals must always be open and willing to course-correct and maintain agility to be ready for anything the future throws up.

It also has to be noted that talent management practices will differ across different levels and industries and hence proper care has to be taken to ensure that the right approach is taken for better results. With the increasing competition, dearth of talent, globalization and ever growing need to manage talent the scope for study of talent management practice gains importance.

Conclusion

To revive Make in India, the government will have to do extra efforts to make manufacturing career option an 'In thing'. Government will have to make requisite legal, social, economical and cultural changes to reinvent manufacturing in India. Skilled labour force is mandatory and it requires huge monetary support. Unlike in Korea, Japan and Germany which have about 80% of its population skilled, only 12% of India's population is skilled. In order to develop make in India and for its sustainable growth, it is very much important to develop the human resources working on it. If work force is skilled then automatically it will help in cost reduction, reduce the defect rate of products, increase the sales, and help in overall growth of manufacturing sector. Make in India is an ambitious project, but it is one that India desperately needs to kick-start and sustains its growth momentum. With relentless policies towards this end, it is possible to make India the powerhouse of

manufacturing sector in the world. Make in India does not have to compete with Made in China, rather it has to first compete with its own services and other sector to attract requisite talent to be able to truly Make in India.

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