

Collegial Talent Management Practices in Indian Organizations**Dr. Dipak Kumar Bhattacharyya**

Xavier School of HR

Xavier University Bhubaneswar, India

Email: dkb[at]ximb[dot]ac[dot]in

Abstract

There are innumerable cases on talent retention in Indian companies. Such companies embrace different talent management practices. In most of these cases, such Indian organizations have a legacy of at least hundred years. In a few exceptions, some start-ups and family-managed businesses are also able to attract and retain talent. This case note focuses on understanding specific talent management practices of Indian organizations which can retain talent. Based on a study of talent management practices of some Indian organizations, the case highlights the important role of collegiality. Collegiality as an important talent management construct is relatively unexplored. Through this case note author tries to evoke discussions on collegial talent management practices for better talent retention in organizations.

Key Words: *Talent Management, Talent Development, Talent Retention, Collegiality, Collegial Talent Management Practices*

Introduction

Hindustan Unilever Limited (HUL) is part of the global Unilever group with a history of more than eighty years of business in India. It is able to attract the best available talent from the market and also able to retain them. They hardly hire people from outside and prefer to groom internal talent (Basu & Sagar, 2017). ITC, another conglomerate with track record of success for over a century, is again a success story

of talent retention despite the fact their pay is not competitive (Glassdoor, 2017).

Both these organizations however have their roots in the Netherlands (HUL) and the United Kingdom (both HUL and ITC). Perhaps they are able to retain talent due to their managerial practices, which is in alignment with their international counterparts. But for the international shareholding, both the organizations are more Indian than British or Dutch.

There are innumerable cases of Indian companies, which can retain talent through their talent management practices. Apart from a few start-ups and family managed businesses, in most of the cases, like HUL and ITC, such Indian organizations have a legacy of at least hundred years. A good example of the power of talent attraction in new generation companies is the example of the propensity among new talent in India to prefer job offers of RMSI Private Limited. RMSI Private Limited is an innovative geospatial and software solutions and services company.

People prefer to join the company even at half the salary that they were getting from the leaders in the industry (Mahalingam, 2017). In terms of compensation and benefits, the company nowhere matches other peer group companies and other technology and knowledge intensive organizations. It is intriguing to see why people prefer to join this organization. This IT services company with a headcount of 3500 (RMSI website, 2017) allows employees to incubate their ideas, translate ideas into new products or services, and even anchor the newly developed products and services,

developing market for the same. This is made possible because of a culture of knowledge sharing, humility of bosses, which replicates *guru-shishya-parampara*, the framework of collegiality in Indian organizations. People prefer to work for this company, as they feel they would be able to do the jobs that they like with support from their bosses.

Murugappa Group, a family-managed century old Indian organization, which professes they follow constant values with the 'changing times' is another example where people feel more attracted to work. Some family-managed small-scale Indian organizations such as IFB Agro, Keventer Agro, etc. can also attract and retain talent (Bhattacharyya, 2016).

More than 95% of Indian businesses are family owned, and majority of such businesses were started in the eighties. However, there are some century old family-managed businesses such as Dabur India Limited, Godrej group, Murugappa group, etc. Eighty percent of family-managed business units dominate Indian economy. Among 500 valuable companies in India, as many as 461 companies are

family-managed (BT 500: India's Most Valuable Companies, 2016). In all these family-managed business units in India a large number of non-family employees work. Non-family employees are those who are not related to family but join the family-managed organizations through normal recruitment process. It provides an interesting case to understand how these organizations have been able to retain employees for a long term who are not related to each other or the owners through filial ties? Hence, the case discusses evidence of talent management practices family-managed business units. While doing so, the case focuses on how collegiality has been harnessed for talent retention. In this context, talent retention success of IFB Agro and some other organizations which have a talent retention record has briefly been discussed.

IFB AGRO

IFB Agro is a family-managed business organization engaged in the manufacturing of alcohol, bottling of branded alcoholic beverages as well as processed and packed marine foods. The business divisions of the company are primarily two; spirit,

liquor and spirituous beverages, and marine products. Both these two product segments cater to export and domestic markets. However, in case of marine products, exports are more than domestic sales. The company is also engaged in the production of Carbon Dioxide Gas. In Eastern India, it is the largest producer of alcohol. With six captive bottling plants in different parts of West Bengal, it produces the highest volume of sprit, liquor, and spirituous beverages. Apart from the production of country liquor, the company also produces Indian made foreign liquor (IMFL). To boost research and development activities, the company maintains a state of the art in-house research and development facilities with modern equipments and instruments. It also retains the services of highly qualified research professionals. With such commitment to research and development, the company has been able to come up with various process innovations, including but not limited to value addition to wastages, resource recycling, gainful waste utilization, etc. Being a mid-sized family-managed business unit, the company does not have a market

competitive compensation and benefits programme, but talent retention level is very high. On an average, employees work with IFB Agro for 16.5 years.

Being in critical processing function, the company engages top talents from universities and institutes, who have excelled in their academic field. It is obvious, that it is due to the high potential talents, that the company could become highly innovative, and develop multiple by-products from its processing plants, (see Exhibit 1) which gave the company the advantage of cost competitiveness and enhanced level of profitability (see Exhibit 2) . The company traditionally follows recruitment through campuses, and assigns more weightage to the top scorers. The nature of operation of the company, by default requires engagement of highly talented technical people with a research bent of mind.

Collegiality in talent management is evident in the company in the form of mentoring and coaching of employees from their seniors in the organization and also from the university departments, from where the employees were recruited.

University Professors extend support to employees, which turn out to be a win-win situation for both. University departments get the advantage of using the company's laboratories for their experiments. Universities can send their existing batch of students to IFB Agro's plants for industry exposure and practical insights. IFB Agro emphasizes continuous development of its human resources through on-going training programmes. The trainers for these programmes are senior managers, and at times it seeks support from external training providers. External training providers are largely drawn from Universities and research institutes, i.e. from where employees are recruited.

The culture of innovation is deeply ingrained; managers in operation constantly innovate with support from their seniors and academic gurus. Through innovative processes, the company could achieve diversification through value addition to waste, resource recycling and gainful waste utilization. Also the company was able to substantially reduce its dependence on industrial molasses for processing to get

spirits (used as core raw material for liquor) switching to multi-grain feeders. This could help the company to institutionalize the *guru-shishya-parampara*, a pre-requisite for collegiality in organizations. Further an entrepreneurial, paternalistic and agile organizational culture combined with strong values, long-term commitment, and emphasis on relationships, could help the company to build the culture of collegiality. The high rate of talent retention in the organization can be primarily attributable to its culture of collegiality.

Murugappa group and Dabur India limited are two other large family-managed business units in India, which have been operating over a century. Both the companies have a culture of employee development, emphasis on pay equity, rewarding stretch efforts and risk taking, cross-functional movement of employees, and strong emphasis on innovation and learning. All these could help both the companies in building a culture of collegiality that could benefit them in talent retention and consistently better financial performance (See Exhibit 3).

The Murugappa group believes that every manager should work towards the development of their team. To reinforce and create a culture of *guru-shishya-parampara*, team leaders have been trained in coaching skills. Further, business leaders of the diverse group have also been trained to be certified workplace coaches (Murugappa website, 2017). At Murugappa groups' CUMI, even during times of a tough global economy and downsizing, the company invested in its talent through mentoring programs to engage senior management in transition skills and fast track programmes in leadership to create a talent pipeline (Carborundum Universal Limited, website). Their concept of mandatory functional rotation where executives will need to have handled one more function if they are to be moved to the next grade was also introduced to help in the exchange of ideas, collaboration, apart from helping in the individual's learning (Kamath, 2012). Murugappa with inter-disciplinary cross training could successfully realign the knowledge and skills of existing talents, which could motivate employees and help in talent retention. Recently the company

could re-skill their surplus operators and redeploy them in their maintenance jobs, which were earlier outsourced.

With cohesive work environment, Dabur India limited (Dabur), the other family-managed business unit of India could inculcate a sense of pride in their employees for their work (Wheelen and Hunger, 2011). With focus on career development, simultaneous value accretion to the organization and employees, innovation and creativity, work life balancing, teamwork, training and learning opportunities, and building on legacy, Dabur could achieve higher talent retention, despite being not able to offer market competitive pay and benefits. Such practices of Dabur could help in building the culture of collegiality.

All these examples prompted a search for possible reasons for Indian organizations to successfully attract and retain talent. What talent management practices motivate Indian talents to stick to organizations? Ultimate answer to these questions is existence of collegial talent management practices in Indian organizations. Collegiality, among others,

as talent management constructs was studied by Beers (2005). Collegiality goes beyond contractual employer-employee relationships; rather it creates bonding which binds talented employees to the organization (Van de Sluis, 2009). Subsequent studies by Schroevers and Hendriks (2012) and Bhattacharyya (2015) also acknowledged the importance of Collegiality for talent retention and talent management. Collegiality or talent management practices powered by collegiality were found to be an important antecedent to talent retention. To embed collegiality in talent management practices, organizations need to promote the culture of togetherness, and shared responsibility and authority. Immediate outcomes of collegiality are; mutual cooperation, mutual trust and respect (culture of mutuality), knowledge sharing, and culture of performance that drives results along with talent retention.

Collegiality deeply embeds in Indian culture of *guru-shishya-parampara*. Boss-subordinate relationships in Indian organizations become more productive when it follows age-old *guru-shishya-parampara* (bonding between teacher-

student) practices. Such bonding extends to affection (from *Guru*) and devotion (from *Shishya*). This is the best way for advanced knowledge sharing with employees, and for obvious humility of boss, increased loyalty and retention of talent. No specific methodology has been followed to find answers to these questions. This case note is based on in-depth analysis of talent management practices of some India organizations, and drawing lessons from author's consulting experiences.

Strategic Talent Management in Indian Organizations

Talent management is a process of individual and organizational development, responding to complex work environment. Talent management practices when mediated by collegiality can bring better results. Considering talent management from integrated human resource management perspective, it can be defined as a process of attracting, acquiring, developing and retaining the right people for the right job at the right time. In organizations, talent management must be business aligned and strategy

focused for attracting, acquiring, developing, and retaining talent.

Many Indian organizations manage their talent strategically. This is primarily achieved through grooming the identified talent pool with continuous training, mentoring, and coaching. This initiative is further powered by job rotation across different functions, more focused on on-the-job learning etc. Simultaneously Indian organizations emphasize on designing competitive compensation and rewards programme, and promoting employee engagement.

Two Indian companies which are internationally acclaimed for strategic talent management programmes are; ICICI Bank and Hindustan Unilever Limited. In a survey jointly conducted by the RBL Group and Hewitt Associates in 2009, ICICI Bank was ranked as 5th and Hindustan Unilever was ranked 10th in strategic talent management practices, out of top 25 companies of the world 'for Leaders'. IBM, Procter & Gamble, and General Mills were ranked respectively at 1st, 2nd, and 3rd. Another Indian company which ranked 24th out of the 25

companies of the world is Infosys. Indian companies like Lenovo India, Fortis Global Healthcare Holdings, Columbia Asia Hospitals, Real Estate Company Puravankara, Aditya Birla Group, have all pledged for talent management practices, and the top management of these companies directly involves them in talent management programme. Not surprisingly, therefore, Aidan Brennan the global head of management consulting practices of KPMG in a recent interview with the Economic Times (May 10, 2014) expressed that in India “we do not have talent shortage”. Such encouraging scenario of talent management practices among Indian companies obviously legitimizes our quest to search for reasons that contributes to the success of talent management practices in Indian organizations.

How Collegiality contributes to Talent Management in Indian Organizations

Collegiality is the relationships between colleagues. It indicates the way a group of colleagues take collective responsibility for their work with minimum supervision. In education management, collegiality as

performance criteria was accepted in early eighties. Since then collegiality has been accepted as official criterion for promotion, retention, and merit evaluations in education (Hatfield & Cheek, 2011). More appropriately the term collegiality has been defined as a relationship (Hartle, 2004). Collegial workplace can facilitate in building open-door policy and democratic process, employees’ commitment, belief and trust, and finally can create a culture of mutual trust. Most of the research studies on collegiality are traced to education administration. For example, collegial leadership model of Singh (2013) enormously detailed how educational institutes can benefit embracing the practice of collegiality. Primary thrust of this model is on valuing individuals. Collegiality is sharing of common values, common goals, accountability and a sense of trust (Sergiovanni, 1991). As it promotes democratic values, in organizations when collegiality is embraced, people feel better connected, which can immensely help in talent retention (Bhattacharyya, 2015). In a collegial work environment, we find

employees take personal responsibility, collaborate with each other, and become more performance focused.

To get further insights on collegiality, one needs get back to the Indian ethos on the *guru-shishya-parampara* (2013), which denotes succession of teachers and disciples. This unique tradition in India for knowledge transferability, with its place in Indian religion, culture, and social system also finds its reflection in Indian organizational practices; at least in those organizations which are surviving over several decades. Transformational leadership quality of Indian managers in general can be attributed to such culture of *guru-shishya-parampara*. Collegiality in Indian organizations has its roots in this culture. Collegiality in organization was fostered with the emergence of concept 'invest in people'. Collegial workplace help employees to achieve their goals, treating employees with respect and dignity, developing interest in employees, building relationships on trust, modeling characteristics expected from employees, and recognizing employees. All these are

embedded in the *guru-shishya-parampara* culture of India.

Indian organizations which are successful in talent retention through collegial talent management practices primarily focus on binding their employees with their shared values and vision, and co-created mission. This creates the base for effective talent management practices, which are then reinforced by tools that can strengthen a collegial work environment and bring success to talent management. Tools that promote collegial work environment and bring success to talent management practices are very much organization specific. However, some observed tools used by Indian organizations have been listed.

A co-created compensation and benefits programme along with performance management systems that reward employees' stretch-effort and risk taking encourages inter-functional and organizational performance perspectives, can also promote culture of collegiality. The spirit of collegiality in Indian organizations is reinforced by emphasizing more on the achievement of company's

goals, SBU's (strategic business unit) goals, rather than achievement of individual goals. This creates the culture of shared responsibility, an important construct of collegiality. The concept of shared responsibility gets more strengthened with the compensation and benefits programmes which are now more focused on total rewards, acknowledging organizational responsibilities for employees' development, and quality of work life. Performance goals are also co-created in line with business goal and employees' feel responsible to deliver results. This reinforces performance driven work culture. KPIs in many Indian organizations now increasingly focus on areas like; innovation, domain expertise, employees' commitment beyond market, risk-taking, etc. With increased focus on social inclusiveness, Indian organizations are successfully trying to inculcate a sense of pride in employees, making them believe that they are members of successful and caring organizations.

Ingrained with the culture of *Guru-Shishya Parampara*, talent development issues have now become so critical that some Indian companies, like HUL, Aditya Birla,

ITC, etc., even instituted best mentorship award, best coach award, and made it their annual event. Talent Super League (TSL) crowns best mentor and coaches based on their performance rating of the mentees. Such crowned mentors are then felicitated by the CEOs of the companies in presence of top officials.

Some Indian organizations also embrace inclusive human capital development approach and provide training programmes to all cross-sections of employees, and even encourage their employees to focus on continuous learning from their previous institutions, including inviting their past teachers to conduct interaction sessions. For in-built collegiality in Indian organizational practices, Indian companies could effectively manage their talent, including retention of talent, despite being not paying market competitive compensation.

Conclusion

With collegiality, organizations can better manage their talent and can also ensure talent retention. It can be reasoned and

deduced that Indian organizations which are successful in talent retention have largely embraced culture of collegiality. Based on analysis of talent management practices in Indian organizations, some important constructs of talent management can be identified, which could promote the

culture of collegiality. Emulating the talent management practices of Indian organizations, it can be said when talent management practices get reinforced with above constructs of collegiality, one can get better results, more specifically in terms of higher talent retention.

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Exhibit 1: IFB's Products**Core Products:**

Extra Neutral Alcohol (ENA): Core raw materials for Indian Made Indian Liquor (IMIL) and Indian Made Foreign Liquor (IMFL). Apart from Alcoholic Beverages, ENA is also used in Varnishes, Perfumes, Essences and Flavourings, Medicines, Drugs and Disinfectants as a Solvent, Chemical Intermediate and in Personal Care products.

Acquafeed (Product of Marine Division): Used extensively in aquaculture, particularly in shrimp cultivation.

Shrimp Exporting: Premium Black Tiger Value Added Shrimp and other seafood items like; Vannamei Freshwater Scampi, Sea Catch exporting to many countries.

Fresh Catch: Fresh Catch range are Ready to Cook (RTC) and Ready to Fry (RTF) products that are retailed domestically in major towns across the country and widely used by esteemed hotels, restaurants and caterers.

By-products

Distiller's Dried Grain Solubles (DDGS): It is by-product of grain based distillery. It is Cattle Feed enriched with amino acids and vitamins produced using yeast in the process.

CO₂ : The Carbon Dioxide Division produces Food & Industrial grade CO₂ (Dry ice) in bulk as well as in cylinders for industrial use.

IFB Nabajivan— Organic Manure

Source: Annual Reports of the Company

Exhibit 2: Financial Summary of IFB Agro

	2012-13	2013-14	2014-15	2015-16	2016-17
	Rupees in lakh				
Revenue from Operations (Net)	46232.08	50688.55	59505.35	62131.41	82930.85
PBDIT	5071.69	6988.42	4470.22	5918.44	6228.83
PBIT	3948.33	6058.80	2607.95	3748.21	4196.25
PBT	3910.17	6021.96	2590.81	3611.98	4022.33
Earnings Per Share	29.09	44.49	16.63	31.31	34.23
Book Value Per Share (Face Value Rs. 10)	174.98	219.97	236.60	267.91	302.13
Operating Cash Flow	2004.85	4242.33	2913.56	3644.10	4811.43
PBDIT%	10.97	13.79	7.51	9.53	7.51
Return on Capital Employed%	24.66	31.23	10.93	12.08	12.73
Return on Net Worth%	16.63	20.23	7.03	11.69	11.33
Asset Turnover Ratio	6.43	5.23	5.04	4.30	5.90

Source: Annual Reports of the Company

Exhibit 3: Financial Performance of Murugappa Group and Dabur

Financial Results (in Rs. Crores)	2009-2010		2010-2011		2011-2012		2012-2013		2013-2014	
	Dabur	Muru	Dabur	Muru	Dabur	Muru	Dabur	Muru	Dabur	Muru
Sales	3391	13617	4077	17051	5283	22314	6146	22466	7073	24350
EBITDA	667	1879	833	2247	948	2692	1124	2507	1288	2627
Profit Before Tax (PBT)	601	1354	768	1657	791	1850	953	1757	1136	-
Profit After Tax (PAT)	501	957	569	1182	645	1304	763	1313	914	957
Market Capitalization	13782	-	16702	19194	18536	20000	23887	-	31310	-

Note: EBITDA is Earnings before interest, taxes, depreciation and amortization

Muru indicates Murugappa Group

Source: From respective company's web-site.

<http://www.xub.edu.in/~jcr>

Email: editor.jcr@ximb.ac.in

Tel: +91-674-2377739