CHAPTER 2
LITERATURE REVIEW

2.1 Introduction
In today’s challenging business environment, organisations performing its operations at global level are experiencing intense competition with mounting pressure to perform better than before. Every organisation to be competitive and attain sustainable growth, should develop talented people who are the main contributors for the success of any business organizations.

Today companies of all sectors need employees who are highly productive, multi-skilled, self motivated and out-of-the box thinkers. But today, the most critical issue facing organization is how to retain the employees they want to keep. The talents quit for various reasons like, they find a better place to work, better payment elsewhere, brand name, flexible work time, etc. Moreover, organizations are finding difficult to fill the vacancies with skilled workforce as there is acute shortage of skilled workers all over the world, especially in a developing country like India. In this context, Talent acquisition, talent retention and their development has become a key strategy in every organization.

This chapter provides an overview of related literature and also looks at related past studies in this area and the gaps inherent in organizations in terms of talent management.

2.2 Operational Definitions:
This section attempts to define common themes of Talent Management that are used in this dissertation.

Attrition:
Decrease in the number of employees for reasons such as retirement, resignation, death or disability or due to any other reason is known as Attrition.
Retention Strategies:
Retention strategies refer to the policies and plans of organisations that ensures reduction in attrition and employee turnover by addressing to the various needs of employee that enhance job satisfaction which in turn leads to productive work.

Career Development:
Career development can be defined as the process of identifying the ability and needs of employees and matching them with that of job requirements and job rewards and designing a programme of career development providing an opportunity to grow individually with the expectation of contribution for organisational growth at the same time.

Employee Engagement:
Employee Engagement refers to employees job commitment in attaining to organisational goals. An employee who is engaged in various activities of an organisation is said to have high morale and job satisfaction.

Work-Life-Balance:
Work-Life Balance is a way of balancing one’s time for professional and personal lives. An individual must prioritise his personal work and professional work and allot the time in such a way that balances and satisfies both personal life and attain to his job without any pressure or stress.

Job Enrichment:
Job enrichment is a concept of management that involves redesigning jobs so that repetitive work can be reduced and make the job more challenging. In other words, it refers to a management technique of increasing the responsibilities of employees by assigning the work that is found to be more meaningful and challenging.

Job Rotation:
Job rotation is a technique of assigning two or more jobs to an employee with the intention of giving exposure to employees the experience of different jobs which enhance their skills and job satisfaction.
2.3 Review of related theoretical literature:-

2.3.1 Attrition:

Every business organisations face attrition problem today, but the intensity and magnitude varies from sector to sector. The factors responsible for attrition in manufacturing and service sector also differs. The aim of the study is to explore the reasons and main cause for attrition in manufacturing and service sector. In this regard the various literatures on Attrition have been reviewed in order to gain more insight of the subject matter.

Dan Emerson (2006), the study conducted reveals the main reason as to why people leave the organisation. It is found that employees are not satisfied with boss and from this it is clear that there exist no good relationship between employees and superiors. It is been recommended that employees must think about issues like succession planning at all levels, not just at the executive level. They must look at their best strengths at all levels of the organization.

Vineet Tandon (2006), has highlighted the various challenges faced by HR managers in retaining the talents. It is been observed that the main reasons for attrition in an organization is due to change in lifestyle, lack of motivation, high expectations of executives, availability of more opportunities outside the organisation and due to job misfit.

Mehta et al. (2006), are of the view that BPO sector is posed with various challenges at different levels, and among them the major problems are identified as attrition, absenteeism and motivating employees particularly at the middle level. The research work of Santhoshi sen reveals that BPO organizations have high attrition rate hovering around 35%. It is found that through innovative and concurrent strategic method can bring down the attrition rate to great extent, especially in BPO sector.

Jyotsna Bhatnagar, (2007) in her exploratory study has investigated the talent management in two phases and its relationship with respect to levels of employee engagement. In the first Phasea sample of 272 employees of BPO/ITES were considered for the survey. Focus group Interview was conducted to identify the unique problems of employee engagement and reasons for attrition. In the second Phase factor analysis and content analysis was used to analyze exit interview data.
The sample for this purpose was chosen from the samples of BPO organizations from the phase I. The research conducted points out that at initial stage up to 16 months of completion of their career, there is low employee engagement. Later in the intermediate stages of employment it is found that there will be high loyalty. However, this will remain only for a limited period. The study conducted in 2nd phase indicates three different factors viz., organizational culture, career planning along with incentives and organizational support. It was found that the first two factors are responsible for high attrition rate.

Sai Lakshmi (2007) has examined the factors that play a critical role in attrition of employees of TCS Company. The study however was a case study of one organization and the researcher did not find any empirical study was seeking to fill this research gap in both manufacturing and service sector in Bangalore.

Indranil Banerjee (2008), has observed in their study that employees quit jobs for reasons such as attracted to a new job or for better prospect which ‘pulls’ them, on the other hand due to disappointment in their present jobs they are ‘pushed’ to seek alternative employment. The attrition of employee has lasting effect on the firm’s bottom line. The cost of attrition will be high, as the need for replacement arises. It is suggested that the management should take measures control attrition, so that the cost does not exceed the benefit.

Sabitha Niketh (2008) has observed the various factors that contribute towards attrition, which is causing a problem to the employers across the globe. This study does not reveal specific reason for attrition in manufacturing sector or service sector. It has generalised the attrition problem that exist universally. Hence, the current study intends to identify the reasons as to why talents quit from manufacturing sector and specific reasons for attrition in service sectors.

Mallikarjunan (2008), is of the opinion that the causes for attrition are many and varied. They vary according to the nature of the business, the level of the employees and the nature of the responsibility shouldered by them. It is found from the study that the main reasons are the ‘ergonomic discomfort’ experienced by the employee and ‘functional incompatibility’ between the corporate management and employees. According to the study attrition is classified into two categories namely: Drive
Attrition which caused mainly due to the policy, practice and treatment of the employer in the industry and Drag Attrition caused due to number of uncertainties faced by the employee in his working environment, such as absence of adequate opportunity for advancement in career and absence of opportunity to express himself and achieve mental and functional growth, particularly in the absence of adequate HR policies in the employing organization.

Ramani and Usha (2008) studied managing attrition level in organisations suggested few important strategies a company can adopt to retain their talents. And again this study does not point out specifically what type of strategies are suitable to manufacturing sector and those which can fit appropriate in service sector. Hence, the present study aims in identifying appropriate reason for attrition in manufacturing sector and that of service sector. Based on the reasons for attrition in these sector, strategies that are suitable for specific type of industry will be suggested.

N.R.Aravamudhan (2008), in their study has identified the reasons for attrition and suggested various measures that can be taken to reduce the same. According to this study the reasons for attrition are, lack of congenial work environment, lack of career mobility and crushing organization culture are some of the reasons as to why employees leave an organization. The measures companies can contemplate are – strengthen the recruitment process, career opportunities, make induction program a pleasant experience, working environment, training and development, eliminate the poor managers, involving employees in the process of decision-making, ESOP, employment branding, etc.

Dr.Rashmi Joshi (2008) in her research has examined the implications of attrition, ways to control it and how HR departments play a dominant role in framing and implementing the retention policies of organizations. The research conducted reveals that employees change jobs either with an expectation of high pay and benefits, career satisfaction or with an aspiration to work with advanced technologies. It is suggested that to bridle attrition carefully fine-tuning and aligning employee aspirations with the organizational goals, the rate of attrition can be substantially reduced. At first, proper hiring system to be followed and provide opportunities for periodic skills upgradation for the growth and over all development of employees. Thus, HR plays a major role in formulating retention policies in an organization.
The Business Standard Report (Feb 23, 2008) reveals that the attrition rate in Indian Manufacturing Sector too is very high and is a major challenge to its growth. Manufacturers require skilled and competent workforce to attain its goals and operate successfully in competitive environment. More creative approaches to recruitment and talent management should be adopted. Mere Workforce planning will not help manufacturers to attract talent. It is observed that building employer brand helps organisations to generate expected results.

Dr. K. Lavanya Latha (2010), in her article reveals that even though employees are satisfied with the nature of job, it is found that employees quit from organisation for reason lack of career opportunity. It is suggested that organisations should create career paths and provide growth opportunities in order to reduce the attrition rate.

Sharmistha Banerjee, et.al. (2010), has conducted a survey to explore the reason for Employee Attrition in Engineering Firms and found that the main reason for high attrition in this sector is due to lack of career growth opportunities and heavy work load.

Dow Scott (2012), in her report has identified the reasons as to why key talent quit from organisation and recommended strategies that can be adopted to retain the Key Talent. The study conducted reveals that the reasons for attrition are layoffs, heavy workload, lack of reward programs, lower incentives and limited career opportunities. The study also identified the strategies adopted by companies to retain employees such as identifying key employees, monitored satisfaction relating to their pay and work situation, communicating with their employees about their future opportunities within the organizations, provide mentors, and enriching job designs for key employees.

Naresh Khatri (2012), has pointed out in his study that the reason for employee turnover in many countries in Asia is due to bad attitude of employees developed for the reason labour shortage or poor management practices. He is of the opinion that employees keep changing the organisation frequently taking the advantage of the situation. The study has examined the three sets of antecedents of turnover intention in companies in Singapore: demographic, controllable and uncontrollable. It is
observed that turnover is much greater in case of controllable turnover than uncontrollable one and the major cause for employee turnover is due to poor management practices.

**Brijesh Kishore et.al. (2012),** in their article has highlighted the importance of human asset in an organisation and conclude that organisations should focus on people while planning for the future. According to them those organisations who are least bothered to know the reason as to why their employees leave the organisations are the greatest losers of valuable asset. Organisational goals can be attained only through people and they should not be viewed as just task performers. They are dreams, hopes, ambitions, creativity and innovation and hence recognizing and cultivating these valuable assets leads to organisational growth and success.

**Mahesh and Debasis (2013),** highlighted the problems of attrition faced by Textile Industry and suggested that paying high wages, bonus and healthy working environment can reduce attrition in this sector. However, there are other reasons for the cause of attrition in this sector where the researcher tries to fill the gap that exist in identifying the real cause fort high attrition in this sector.

**Prukruthi, (2013),** in her article has identified the problems faced by garment industry. The issues experienced by garment sectors are: low wages, high attrition, lack of training, lack of transparency in the ISO and certifications, and human relations. According to her report garment industry in Bangalore is facing attrition at the rate 13 per cent. It is recommended that the Attrition rates could be reduced by increasing wages, offering health insurance, bonus and other facilities and providing a healthy working environment in the industry.

**Mahesh Kulkarni & Debasis Mohapatra (2013)** in their study has found that the garment industry has been facing problems like high attrition, low pay and benefits, insufficient training and development programs. The study compared the attrition rate in the industry in Bangalore, Tripura and other states and found that attrition rate is low in Bengaluru. It is suggested that Attrition rates could be reduced by paying fair wages and offering other benefits such as health insurance, bonus and a healthy working environment, but this is possible only when workers have high skill levels.
Shilpa (2015), has identified the reasons for attrition in Engineering sectors. According to the study conducted, it is found that lesser encouragement for upgradation of skills, boredom, lack of rewards and recognition, low career development programmes, inadequate training facilities and low employee participation has led to high attrition in this sector.

Deloitte Report (2015), in their survey have identified the sector which is experiencing high attrition and the main cause for the same. According to the survey report, ITEs sector is experiencing the highest attrition with 21.9% across industries. On the other hand, the lowest attrition was found to be in the Energy and natural resources sector which is accounted by 10.5%. The main reasons identified for attrition were lack of better pay, lack of career opportunities and need for work life balance have emerged as top reasons for attrition across industries.

Avinash Buragohain (2016), conducted a study on employee attrition in Automobile dealers in India and has examined the various causes for attrition and suggested remedial measures. It is observed that the main cause for attrition in this industry is due to low pay, Heavy workload, lack of rewards and recognition and limited job knowledge among employees. The various measures have been suggested to reduce attrition rate in this sector. Some of the measures suggested are – job description, reward based on performance, and to recruit more number of employees to reduce work load of existing staff.

2.3.2 Shortage of skilled workforce:

Today’s business is confronted with challenges of availability of high skilled workforce so as to adopt them to advance technology which is found to be scarce and there is a great mismatch between the demand and supply for skilled workforce in the market. The global business expects employees with various skills to perform efficiently to attain competitive advantage and for sustainable growth and development. Every organisation is undergoing a rapid evolution spurred to advancement in technology, globalisation and mobility of workforce at rapid speed. Thus skilled employees are required to attain competitive advantage and to survive in this cut throat competitive world. As such identifying and recruiting skilled employees have become inevitable process for every organisation.
Against this background, the study aims to identify the different types of skills that are in short supply and to what extent it is affecting manufacturing and service sectors. In this regard, various literatures been reviewed to identify the type of skills that are found to be shortage in various organisations.

**V.P.Wani, et.al (2003)** the study conducted reveals that, due to technological advancement, globalisation and increase in knowledge work it has become inevitable to all types of organisations to pay vital attention in acquiring skilled employees for sustainable development.

**Australian Industry Group (2012)**, the study conducted by this group reveals that there are widespread skills shortages in manufacturing sector across the world and it is recognised that future competitiveness is linked to higher-level skills and hence ask oneself as to what has to be done to ensure manufacturing industries has the skills it needs.

**Accenture**, a consulting services firm, conducted a research and reported that about 59% of executives are concerned about the availability of skilled labour their organisations need in coming years.

**Lindsay Macintosh (2012)**, a similar research has been conducted and reveals that employers are facing challenges of acquiring highly skilled workers who are found to be in short supply in the market.

**The Future work report** also states that technological influence has dramatically changed the work style and skills will be redefined and reorganized. Global competition is so intense that it has created new skills required by jobs to match with the advancement of technology which has grown rapidly. Thus, the demand for low-skilled work is reducing.

**Radhika Kapur,(2014)** are of the opinion that, the need of the day is to view skill building as an instrument whose main purpose is to enhance the efficiency, productivity and contribution towards the different sectors of the economy.

**Gaurav Saini (2014)** states that employers and businesses must play an important role in setting the standards for training and education so that younger generation can
acquire the necessary skills which are relevant to develop high quality. Such an approach ensures better performance and achieve success in organisations.

**Prabir Jha (2014)**, the senior vice president and chief Human Resource Officer of Tata Motors Ltd., who is of the opinion that the major problem of every organisation today is shortage of skilled workforce and suggesting to take focussed steps to ensure constant skill supply.

**Poul Jensen, (2014)** stated that the India’s ability to absorb new technologies and new solutions is not up to the mark, due to high attrition rate and inadequate skills among the workforce.

**CII Report, (2014)** has identified the major factor that is precipitating the “Great Indian Talent Conundrum” – is that more number of qualified candidates are added to the talent pool day by day, but they are found to be lacking in diverse skills which is most essential to meet today’s job needs. To overcome talent conundrum that our country is on the verge of facing, effective steps must be taken to bridge the gap between the supply and demands of skilled workforce which is imperative to resolve the “Talent Crisis”.

**PWC (2014)** in the survey conducted by the researchers, reveals that today’s advance technology has paved way for acute shortage of skilled workers in industries, especially in Manufacturing sector. It was observed by the study conducted that, the majority of CEOs of manufacturing sector are worried about the availability of key skills. It was recognized that priority must be given in creating skilled workforce and managing their talent employees well can only ensure success in their companies.

**Ashok Chaturvedi, (2015)** has reported in economic times that organisations are confronted with biggest challenges in finding skilled employees especially in manufacturing sector. It is recommended in his report that manufacturing sectors must look for various sources through which they can acquire skilled employees so to meet their job requirements.

### 2.3.3 Talent Management in Manufacturing and Service Sectors

Today every organization whether it is Manufacturing or Service Sector are more concerned with attracting and retaining top performers. The concept of globalisation,
rapid growth in advanced technology, and need for knowledge work has necessitated organisations to acquire and retain talent pool.

**Deloitte Research Report (2006)** states that among the various service sectors, Financial Services Industries are also facing acute shortage of talent pool to meet the demand of today’s technological advancement. It is observed that especially the Financial Services sector fear an impending shortage of talented resources in the emerging economic situation with aging workforce in one hand and on the other side limited supply of younger talents. It is found that financial sectors are finding it very critical in managing their talents effectively. It is highlighted in the report that in the various researches existing in this area has emphasised on formulating strategies to attract and retain all workforce populations, and less attention has been paid to specifically developing, deploying and connecting to the industry’s younger workforce. The report suggests that to remain competitive, companies must change their perceptions about the younger generation and concentrate on building their brand to attract newest workforce consumer.

**Arporn Puvitayaphan (2008)** in his study has examined that the organizations employed three strategies to motivate their talented people- Designing Careers Paths for the Employers with Talents, Designing Succession Plans and Recognition of the Performance of the talented people. It suggests that the key participants of Talent Management success are Top Executives, Line Managers and HR Executives.

**Baum (2008)**, in his article argues that talent, in the context of hospitality, is not the same as it is understood in other sectors of the economy. He further elaborates this as the skills of talent required by this sector is different when compared to other sectors. Accordingly, it is found that more than the technical skills, the workforce of this sector has to incorporate other aspects of human behaviours such as emotional, aesthetic and informational processing and analysis dimensions. The workforce in this sector should have a strong focus on the delivery of service to diverse consumers and satisfy them.

**Dr. Ashutosh Muduli (2008)**, the study conducted reveals that in various manufacturing and service sectors of India Talent management practices such as recruiting and staffing, competency management, leadership development and
assessment, performance management, compensation and engagement are positively related to Talent management outcomes. This means, if the Talent management practices improved, it has a significant positive effect on Talent management outcomes.

**Julia Christensen Hughes, et al., (2008)**, are of the view that the most essential asset, that is the Human resources who are the main contributors in attaining competitive advantage in organisations are found to be in short supply in the market. The study also reveals that there are many Internal and External factors that hinders the effective talent management practices.

**Margeret Deery, (2008)** in her study focused on strategies adopted by organisations to alleviate high attrition. It was observed that organisations emphasised on job attitudes that leads to job satisfaction and organizational commitment. The study also reveals that work life balance in employee also play an important role in reducing turnover rates.

**Connie Zhang,et.al(2008)**, in their research it is found that manufacturing companies are experiencing greater demand for workforce with technical and managerial skills that suits manufacturing jobs. Thus, manufacturing sectors are competing with service companies in attracting and acquiring talent employees. The conclusion of this research is that to succeed, every organisation should adopt strategies to attract, recruit and retain the top performers and at the same time provide training to enhance knowledge and skills of their employees in order to sustain competitive advantage.

**Rajesh K. Singh, et.al. (2009)** says in the article that various challenges confronted by small and medium enterprises are similar in India and China. But, the rate of growth in these countries is found to be different. Indian SMEs give more emphasise to productive maintenance, supplier development and the organization's culture. On the other hand, Chinese SMEs focus on maintaining relationship and cost reduction activities. It was analysed that there was high correlation between competitiveness and Human resource development and quality improvement. According to their study SMEs should focus on improving quality of the product through the development of their human resources. Such efforts will ensure high demand for their products and retention of human capital in SMEs as well.
Deborah R. Phillips, et al. (2009), in the paper deduces that organisations must attract younger generation of workforce through Innovative techniques of recruiting. Organisations focus should be on enhancing employee engagement particularly for younger Generation. At the same time pay attention to share knowledge and mentoring activities amongst experienced and low experienced employees.

Stephen Sweet and Marcie Catsuphes (2009) in their report highlight the Talent Management Problems faced by manufacturing sector by comparing it to other sectors. It is observed that the demographic profile of manufacturing sectors comprise of aged workers and men. The study also reveals that manufactures hardly have any knowledge of their workforce. Hence it is recommended that manufacturing sector has to adopt talent management strategies that benefits both employee and organisation. It is essential to consider various factors—that could attract the talented people, reducing turnover and establish good relationship between senior and junior employees so as to ensure and facilitate knowledge transfer.

J P Guay (2009), in the article explains that Talent management has a critical role to play in manufacturing organizations. This is because today many manufacturing sectors have implemented quality management systems including ISO. In order to ensure compliance with quality standards, the organisation has to adopt appropriate technology along with talent management strategy that enables workforce to acquire essential skills and competencies.

K. C. Chakroborty (2010): in his report has pointed out the issues relating to talent management particularly with respect to attracting talented workforce, and methods of nurturing and developing them in order to ensure that they possess necessary skills and knowledge. In his report he highlighted that banking operations in India have changed substantially over the years. He explained that in changed environment; particularly the public sector banks cannot provide long time employment to its people any more.

Geeta Rana, Alok Goel, Dr. Pooja Garg (2010), in the paper has explained that most of the Indian organization now having specific talent management initiatives and they gave top priority in their organization. The organisation should give top priority to retain the current potential workforce. The class Room workshops, short term
assignments and coaching are commonly used as talent development activities by the organization.

**Peter Henri Flueckiger (2010),** in his article states that, the chemical industry is always evergreen and booming sector. However, it is found that this sector too faces severe potential crises. The chemical industry is not successful in attracting talented people because of its recognition as “old economy” condition indicated by capital market valuation. The chemical industry having opportunity to perform its operations globally has necessitated to tailor its talent management practices to face its future challenges. It is recommended that the chemical industries should understand the relevance of Talent Management in current situation where there is acute shortage of talented people in the market. Thus it is essential to define clearly the operational and strategic Talent Management targets. Foster teamwork and effectiveness of team.

**Raman.k.Attri (2010),** in his article opines that the certain models that assist direct supervision of managers to be developed and provide that integrates along with systematic approach to talent management and succession planning that facilitates building bench strength. Thus according to this study, by adopting such practical approaches, ensures hiring right person and facilitating in performance evaluation process at managerial levels. Further, according to this approach, it can be practiced by managers within their groups even if it is not applied corporate wide. This in turn ensures effective talent management practices at least within their group.

**Nuria Calvo Babío, et.al, (2010)** are of the opinion that any organisation that lacks flexibility to its employees will have to face high attrition rate especially among intellectuals and potential workforce. Consequently, it is found that excess workload of its employees has led to incompetency in the company and has a result failed to attract talented people.

**Pankaj. N. Vyavahare, Nitin Matkeri (2011)** in the article explains a true story of ‘Akshardham Temple Delhi.’ The study reveals that the Akshardham Temple was success in Managing Talents not due to Six Sigma or Total Quality Management, but because of the volunteers and workers cared, and they took pride in their work. They were successful because of retaining ancestors and due to Value Based Management. Some of the Talent Retention Tools used by Akshardham Temple Delhi were- Handsome salary, Employee’s children and siblings get whole life cover of food,
future education and career, Insurance coverage and get Brand Association, Welfare of children and family are borne by the

Wardah Azimah Sumardi and Rozhan Othman (2011), are of the view that the emergence of competitors had forced the company to introduce initiatives to sustain the business. One of the key initiatives involved the need to better manage its talent. The study reveals that a lack of flexibility within the organization tended to lead to a reduction in potential intellectual capital, and increased excess workload, together with a decline in the company's competitiveness within the marketplace.

James A.Cannon and Rita McGee (2011), in the study reveals that in today's fast-moving competitive world, every organization still faces two major problems- a more independent mindset of staff who are less prepared to wait for an organization’s timing of jobs and rewards, and at the same time organizations requiring staff to be ready just-in-time for new projects-the response of employers has to be tighter still. Organizations and people require much greater flexibility than in the past and it is suggested to find new tools to manage these challenges.

Jeff Schwartz (2011), the results of a recent survey of U.S. manufacturers conducted by Deloitte reveals that Manufacturing sector faces a worsening talent shortage that threatens the future of the industry. Among the survey's 1,123 respondents, 67 percent reported a moderate to severe shortage of available qualified workers and 56 percent anticipate this shortage to grow worse in the next three to five years. Additionally, results reveal that 5 percent of current jobs are unfilled because qualified candidates cannot be found. The respondents indicate that access to a highly skilled, flexible workforce is the single most important factor for their future business success, well ahead of other factors, including new product innovation and increased market share. Due consideration must be given to talent goals, while establishing business plan. Such effective plans will help in recruiting and retaining talents.

Alan Coetzer, Alan Cameron, Kate Lewis, Claire Massey and Andice Harris in the paper views that formal training approaches to processes of knowledge and skills acquisition are minimal in relation to the contributions made by informal interactions with workplace supervisors and co-workers, and ‘natural’ learning processes, such as learning through observation. This study also helps to fill the gap in research on HRM
practices influencing employee retention in SMEs by yielding qualitative data on retention practices.

**K.V.Ramaswamy and Tushar Agarwal (2012)**, has examined the employment growth and related aspects of employment structure of Manufacturing and Service sectors in Urban India. The study conducted reveals that there is no acceleration in the service-sector employment growth relative to manufacturing in the urban areas of India. It is found that young males have increased their share of regular employment both in Manufacturing and Services. The study also reveals that there is greater duality in services sector in terms of incidence of informality and wage inequality. The service sector is relatively more skill demanding than manufacturing. Social security conditions are not found to be relatively much superior in services. It is suggested that India needs to focus on Manufacturing sector to provide large scale employment.

**K.Balanaga Gurunathan, Trichengode and V.Vijayalakshmi (2012)** in their article have identified the strategies and tools used to retain employees in automobile industries. They are of the opinion that people don’t work for money alone anymore, but they look out for different factors like sense of accomplishment, personal recognition, interesting work flexibility and advancement. Thus the study has identified that the key to success relies on good leadership, good management and potential team with knowledge, skills, attitudes and aptitudes.

**Jeff Henning (2012)** in his article has observed that today, many companies of automotive sector are more actively recruiting senior leaders from outside the industry. GM, a CEO & a CIO drawn from beyond the automotive sector. The consequence of this has led to potential culture clashes between conservative or traditional style of leadership and globalization. By implementing a talent management strategy that embraces diversity and plurality, companies in the sector can increase their chances of operating effectively at a global and local level.

**Anumeha Chaturvedi (2012)** in the article is of the opinion that Leadership interventions to groom in - house talent, and increasing the focus on young talent through campus placements are some of the measures adopted by the manufacturing sectors to attract and retain talented employees. It is been viewed that life in a manufacturing company is more difficult today.
Fisher.L, Agarwal. R and Green (2012) in their article analyses the strategic management and leadership skills of managers in Victoria’s Manufacturing Industry, based on data from 121 Victorian Manufacturing firms among the total of 439 Australian Manufacturing firms surveyed as part of Australian Management Practices Research. The finding of this research reveals that skills and capabilities form a key determinant of high management performance. It shows that management and workforce skills are critical to the future competitiveness of Victorian Manufacturing Sector. Management skills and talent contribute to innovation and competitiveness in the Victorian Manufacturing Sector. These firms need to develop internal policies, practices, systems and processes to periodically monitor their standing on management skill levels. Manufacturing firms must pay particular attention to people management and must implement training and development programs that go beyond technical skills and focus on developing leadership and management skills within the workforce.

Alan G. Downe et. al. (2012) in the article have examined the corporate talent needs and its deficiency towards what is available in the employment market. According to them the lack of essential skills was due to educational gaps. According to them Young well educated professionals have strong motivation towards reward systems.

Staffan Nilsson, Per-Erik Ellström, (2012) in the article views that employability is central to employee performance and organizational success. Individual employability includes general meta-competence and context-bound competence that is related to a specific profession and organization. The concept of employability is wider than that of talent, but the possession of talent is critical to being employable. In this paper, the authors suggest a model in which talent includes individual, institutional, and organizational-social dimensions.

Santhosh Kumar (2012) has compared an automobile industry and IT industry with regard to Talent Management and has concluded that there is no significant difference between the opinions of employees of these two sectors with regard to Talent Management issues. However, the study conducted does not reveal the causes for attrition in these sectors and hence the present study aims in exploring the main cause for attrition in these sectors and suggest appropriate measures to retain talents.
Dow Scott (2012), the study conducted by him reveals that the reasons for attrition are layoffs, resultant expansion of job accountability, constraints on reward programs—primarily limited base salary increases, lower incentives and fewer advancement opportunities. The study also identified the strategies adopted by companies to retain employees such as identifying key employees, monitored satisfaction concerning their pay and work situation, discuss with them their future opportunities within the organizations, provide mentors, provide meaningful and enriching job designs for key employees. However, the study did not outline how these strategies impact on employee retention.

ACCA and KPMG (2012) their study on maximising people power: carried out a survey of effective Talent Management in finance sector. The study emphasised on advantages of investment in Talent Management to increase efficiency in Finance sector and stating that it requires a holistic approach to talent management. However the study did not outline what strategies are to be adopted in this sector so as to have its impact on employee retention.

A Deloitte Research (2012) has stated in their report that a key factor which is contributing to the manufacturing talent shortage is that the sector is not appealing to Generation Y. The manufacturing industry has undergone a rapid rate of evolution, mainly due to globalization, technological advances, shifting demographics and pressures to mass customization. This has led to severe skills shortages that could threaten the future of the industry. They are of the opinion that solution lies within the problem, in the sense that the proportion of generation Y workers in the workforce is set to increase dramatically over the next 20 years and manufacturing companies must find a way to more effectively tap into the generation Y workforce.

Every industry faces unique challenges when it comes to Talent Management. For instance, the Manufacturing industries are facing acute shortage of skilled workers to match with today’s advance technology.

Minu Zachariah et. al. (2012), conducted a study in IT companies and Multinational Companies in India to identify factors influencing Employee Retention in this sector. According to them, organisation should view attrition as a serious problem and take measures to control it. They are of the view that organisation should periodically
conduct exit interview, and conduct surveys frequently to know the changing expectations of the critical workforce. Based on the inputs, the top management have to take a holistic approach in implementing the factors influencing employee retention.

**Sylvia Vorhauser-Smith (2012),** states that the challenge of global talent management is critical to firm success. Even with the global economic slowdown of 2008 and 2009, there are continuing challenges in attracting, managing, and retaining talent, especially in the developing regions of the world where economic activity has outpaced the availability of skilled employees. To examine this situation, they developed and tested a model of talent management across 28 Indian firms involving 4811 professional-level employees. The intrinsic rewards experienced are a critical element in employee retention, satisfaction with the organization, and career success. The career progression and training opportunities rank with pay as the top three factors motivating Indian employees to stay. And that means investments in talent management become a critical and strategic success factor in ensuring that Indian businesses can deliver.

**Ashok Divakaran et.al (2012),** the study conducted by them reveals that manufacturers based in both developed and emerging economies are struggling to develop workforces capable of capturing global opportunities. To meet the challenge, they will have to identify and adopt best practices in attracting, motivating, and retaining talent from around the world.

**Alok K Mathur et.al. (2012),** has highlighted in their research that an Indian pharmaceutical company should consider talent strategy as part of their business strategy. The existing talent must be measured and align them and later must forecast the future need. The study points out that the organization should not restrict to recruiting the right candidate at the right time but should extend to exploring the hidden and unusual qualities of existing human resource and further nurturing them so as to align them to the arising future needs to acquire the desired outcome.

**Deepti Sinha (2013),** conducted a study in Pharmaceuticals sector in Dehradun City to identify the retention strategies adopted by this sector. It is identified in the study that pharmaceutical sector is facing high attrition level. Organization should take necessary measures to retain their employees. High retention level will lead to fewer
operational problems, greater productivity and soaring morale and huge cost-saving to
the organization. In this context, employee retention has become the strategic focus
and compelling necessity of businesses today. Thus, ignoring the problem of
mounting attrition level can have devastating consequences for the business.
Organizations can afford to ignore the problem at their own peril.

Una Halligan (2013) in his article highlights the skills and competencies needed
within manufacturing sector and the importance of continuous up skilling
requirements across all occupations. It is identified in the study that there are number
of cross-sectoral skills gaps in manufacturing sector and approaches are to be used to
close these skills gaps. In this context, the study aimed to find out the approaches that
can be used to fill the skills gap and has suggested that Industry – led up skilling
programmes through skill nets, flexible training options and a more formal
relationship for alignment of needs between HEIs and manufacturing either directly or
through a third party can solve this problem. Introducing structured career paths for
operative, technician, craft and superior levels could play an important role in
attracting talented people into these roles.

Jaewookim & Yo-Chung Yang (2013) conducted a survey to explore the challenges
faced by manufacturing firms with regard to attracting and retaining younger
generation (who are considered as below 30 years old). Provided suggestions as to
how to attract younger generation. According to them the needs of Generation Y has
to be identified and later design strategies to attract them towards their organisation.
Expectations of younger generation are found to be long-term Career Development
and multiple experiences within a single organisation, sense of purpose and meaning
in work, Work life balance practices, open social networks that embrace open and
honest communication, opportunities for personal growth and working with
committed colleagues who share their values. Manufacturing firms will have to
rethink their Talent Management model to address Generation Y’s specific needs in a
way the entire organisation can benefit.

The report of 17th Annual Global PwC CEO Survey (2014), has highlighted that
the manufacturing organisations are worried about the availability of key skills. It was
realised that creating a skilled workforce is a priority for their companies and recognized that adopting talent strategies helps in moving their business forward.

**Kavita D. Chordiya; Itika Sharma Punit, (2014)** have examined the reasons for attrition in BPO sector. It is been observed that the main reason for attrition is lack of career growth, work-life balance issues, stress due to work pressure, expectation of high salary, etc.

**M.Dhanabhakyam and K.Kokilambal (2014),** have explored different talent management practices in four major industries, namely, Banking, Healthcare, Manufacturing and IT Industry. It is observed that there is scarcity of talent and retention of talent people is very crucial. It is noted that Talent Management practices will differ across different industries and hence proper care should be taken to ensure that right approach is taken for better results.

**Ernst and Young LLP (2015),** conducted a research across 60 organizations which included both public limited and private companies including MNC and found that most organizations have a wealth of internal talent that need to be given development, cross-functional movement and advancement opportunities. Cross-functional movement seems to be increasingly used as a means to retain and develop employees. The study conducted reveals that around 43 % of organizations encourage movement across functions and group companies in order to retain their talents.

**Sharad Verma (2015)** revealed the importance of identifying top talent who are critical with unique skills and the leaders of tomorrow which is essential in today’s business environment.

**Yashmin Revawala (2015),** in her study called Talent Management in Manufacturing Industry revealed that to support new technologies and innovation, manufacturers have to attract people with STEM (Science, technology, engineering and mathematics) skills.

**Senthil Kumar (2016),** conducted an empirical study on Attracting and Retaining the Top performers with special reference to IT sector in Bengaluru. It was found that talented gets attracted and retain in organisation if their salary package is high along with job security and educational benefits.
Lindah Madegwa, et.al., (2016), conducted an investigation with respect to origin of Talent Management, factors influencing its growth and application and theoretical framework. The study found that Talent Management have various definition and no universally agreed as scholars adopt either inclusive or exclusive views. The various theories such as Human Capital theory, social capital theory and the resource based view considered as theories that back up in Talent Management.

Mukweyi et.al., (2016), in their study, it was found that Hospital employees were satisfied with Training and Development programs. However, hospital should integrate succession planning and career development making long term plans for talents required in future and developing employees within the company according to their needs.

The 2017 Deloitte Global Human Capital Trends – Report and Survey highlights on the fact that business and HR Professionals will have to face challenges ahead in changing digitalised world. It is pointed out that to cope up with changes (digital, economic, demographic and social), the business and HR Professionals are required to rewrite the rules for how they organize and manage 21st century workforce.

It is clear from the various literature review that every organization whether it is manufacturing or service sector irrespective of the fact of different reasons for attrition in these sectors, they face common problem of Talent Management issues relating to attracting and retaining talents. Retention of talent is a major challenging issue of talent management and an organization must collect sufficient information as to why talents leave their organization and accordingly, adopt appropriate retention strategy. As organizations continue to pursue high performance and improved results through talent management, they are taking a holistic approach to talent management. Some of the factors in this approach are reviewed below

2.3.4 Career Programme:

The rapid growth of International competition has resulted in every aspect of employee performance coming under management’s scrutiny. The competitive business environment demands frequent changes in quality, innovation, creativeness, etc. There is a need for profound changes within the organisations to prepare
themselves for sustainability. These changes in the occupational environment have implications for career development.

**Leibowitz, Farren and Kaye (1986)** contend that career development involves an organised, formalised, planned effort to achieve a balance between the individual’s career needs and employees requirements. Since 1990, career development programs were the subject of interest to researchers in the field.

**Hall and Associates (1986)** define career development as the outcomes emanating from the interaction of individual career planning and institutional career management processes.

**Leibowitz, (1988)** has pointed out that Career Development should be an ongoing system as a part of Human Resource programme and not as a onetime event. These arguments concerning nexus between the organisation and the individual in defining and maintaining a sustainable career development process call for theorising and testing the antecedents and outcomes of career development practices across different contexts.

**According to McDaniels and Gysbers (1992),** career development is the total constellation of psychological, sociological, educational, physical, economic, and chance factors that combine to shape the career of any given individual over the life span.

**A research carried out by Peel (1992),** considered Career Development as the life-long process of fostering and cultivating the shape of working life of an individual. According to him, the implementation of Career Development Programme extracts the inherent talent, skills and knowledge of a talented employee so as to attain competency.

**O’Herron and Simonsen, (1995)** is of the opinion that Companies to become more adept in the field are required to involve themselves in the career planning process. It has found through such an approach, organisations are able to achieve its business goals successfully. Employees facilitated with career planning and development are motivated and perform better than before.
Career development is concerned with the development of workforce which is considered to be complex process. However, such a process is found to be beneficial to both organisation and the individual employee. Theories surrounding the complex career development process emerged in 1950s in the work of Eli Ginzberg, Donald Super, Anne Roe, John Holland and David Tiedeman. In the last fifty years, major career development theories and practices were created, tested, and subsequently, defined (Leibowitz, et al. (1986), McDaniels & Gysbers 1992, Herr 2001).

Greenhaus et al., (2000) suggests that career development should be a continuous process through which individuals progress is witnessed at every stage and found to be unique in themes, and tasks assigned.

Wagner (2000), indicates that companies are experiencing lower employee turnover rates as a consequence of higher employee satisfaction which is the result of inclusion of employee development programs in their organisations.

Rosenwald, (2000) has identified the main reason as to why employees change jobs. Accordingly, it is found in the study that employees expect new challenges and opportunities for development.

Callahan, (2000) is of the view that Companies must create an environment that encourages and supportive to acquire more knowledge and skill ensuring their career growth. Hence it should not be just a place where they perform their jobs.

Petrecca, (2000) states that companies have two options, that is, it can either allow their employees to go in search of jobs that provides growth and development opportunities elsewhere or the other option is to nurture them in their own organisation and retain their talented workers. According to him the Companies can succeed in retaining their talented people only if they can offer employee development programs.

Herr (2001) has emphasised on the relevance of career development and stated that it is really a challenging issue to transform it into a new paradigms in today’s emerging business world. He is of opinion that, today every organisation has to create and provide career development opportunities to their employees who have plenty of choice to decide about their career in present global business environment which is
found to be dynamic and complex. Herr also highlighted the relevance of inclusion of career interventions and accordingly suggested to prepare career planning which has an impact of organisational effectiveness. Hence through proper career planning and management, organisations are able to ensure attainment of career development programs with an expectation of reaping the results from such investment in career interventions.

**According to Baruch (2004),** every individual has the right to grow in his career and he emphasises that organisations must take initiation in planning and managing their employee careers. In his subsequent studies conducted, he points out that both organisations and employees must take initiatives in career management that benefits to both of them.

**Kaye (2005)** asserts that Organizations through proper designing of career development programs will be able to fill the vacancies at higher positions internally, as it enables them to tap in house wealth of most aspirant, skilled and talented employees. In addition, Career Development system enables organizations to make appropriate compensation and succession planning decisions. This has to be communicated to their employees so that they remain motivated and perform their work efficiently and effectively. Inclusion of such programs ensures attracting and retaining key employees.

**Edgar and Geare (2005)** is also of the opinion that training and development is one of the important retention tools that help organisations to retain their most talented workforce. Also the survey conducted by CIPD (2006) which is similar to this, reveals that organisations providing development activities to their talented employees will have a positive impact especially at bottom line of their organisation. This view is supported by Chitalu Kabwe (2011) stating that Training and Development is paramount significance in retaining their talents.

**According to Ridderstrale and Wilcox (2008),** providing an appropriate environment for key performers, organisations can succeed in attracting and retaining the most talented people. It is pointed out that creating an environment in an organisation that provides an opportunity for talented individuals to exhibit their talents with an expectation of career growth and development.
Susan Heathfield (2009) asserts that job rotation is a key retention strategy to keep their talented people within an organisation. In his opinion, the employees do not expect promotion all the time, but instead, they expect in-depth knowledge of workings of a company which in turn gives them satisfaction. Thus, according to him, job rotation is crucial which improves employees’ skills and gives them job satisfaction. Job rotation is a very perspective way for employee development and should be applied in their company for giving more insights for into the company processes and for enhancing employee job satisfaction. Job rotation is also considered as a motivational factor from other points of view.

According to Zhang and Carter (2009), the company can reduce its attrition rate by creating new career path and opportunities to its employees who get motivated and retain in the organisation for a longer period.

Pranab Kumar (2011) is of the opinion that the talented employees expect challenging and competitive career in an organization, otherwise, it leads to dissatisfaction and consequently increase in attrition rate. Hence, organisations should provide special ground and devise a plan for challenging and competitive career needs of talented employees. In order to retain their talents, organisations need to consider the progression of employees through a detailed long-term career path.

Chitalu, (2011) is of the view that organisations can build a positive employer brand by providing an environment that fosters career development. It is one of the ways in which organisations can attract talented employees and retain them who is considered to be the most valued person.

Bola Adekola (2011) asserts that a well-designed career development system enables organisations to tap their wealth of in-house talent for staffing and promotion by matching the skills, experience, and aspirations of individuals to the needs of the organisations.

Sajjad Waheed, (2012) is also of the opinion that organisations should realize the fact that the talented employees have got their own career plan and accordingly has to
make appropriate career plans that matches with the needs of aspiring talented employee.

Today, organisations require employees with multi-skill in order to perform their job efficiently so as to attain competitive edge. And moreover, the potential employees will have thirst to learn more and acquire more skill to perform their best and simultaneously grow in their career. Keeping this in view, organisations are trying to arrange for job rotation which enhances the knowledge of employees with regard to various tasks.

**S. R. Saravani, B. Abbasi (2013)**, points out that Job rotation is an effective tool in developing and empowering employees, which leads to job satisfaction and effective performance in attaining to organizational goals.

**Zahra Rashki (2014)**, in the research work carried out it was observed that job rotation is considered to be an effective tool in employee growth and development activities. It is basically concerned with placing an employee in various jobs so as to acquire knowledge of different jobs and gain experience in the field. It is found that, often it is not for money that people leave, but they quit as they find their jobs uninteresting and monotonous. All this has compelled organisations to think of ways to make the job they offer interesting and lots of efforts are made to keep monotony at bay.

Every talented person has an aspiration to grow professionally and attain success in their career at the earliest possible time frame. Job rotation plays a significant role in one’s career growth as it helps employees to acquire required skill and knowledge so as to cope up with changes taking place relating to his job and also helps them to face unpredictable circumstances.

In the contemporary business world, people are considered to be the most valuable resource. Thus, it is inevitable to organisations to provide their workforce a long term stable career paths that benefits both organisations and their employees.

**2.3.5 Employee Engagement:**

In the academic literature, a number of definitions have been provided. **Kahn (1990)**, defines personal engagement as “the harnessing of organization members'
selves to their work roles; in engagement, people employ and express themselves physically, cognitively, and emotionally during role performances.” Personal disengagement refers to “the uncoupling of selves from work roles; in disengagement, people withdraw and defend themselves physically, cognitively, or emotionally during role performances” (p. 694). Thus, according to Kahn (1990, 1992), engagement means to be psychologically present when occupying and performing an organizational role.

**Rothbard (2001)**, also defines engagement as psychological presence but goes further to state that it involves two critical components: attention and absorption. Attention refers to “cognitive availability and the amount of time one spends thinking about a role” while absorption “means being engrossed in a role and refers to the intensity of one's focus on a role.”

**Burnout** researchers define engagement as the opposite or positive antithesis of burnout.

**According to Maslach et al. (2001)**, engagement is characterized by three factors viz., energy, involvement, and efficacy, which is just opposite exhaustion, cynicism, and inefficacy.

**Schaufeli et al. (2002)** define engagement “as a positive, fulfilling, work-related state of mind that is characterized by vigour, dedication, and absorption.” They further state that engagement is not a momentary and specific state, but rather, it is “a more persistent and pervasive affective-cognitive state that is not focused on any particular object, event, individual, or behaviour”.

**Salanova et al. (2003)** has highlighted the importance of engagement proven by the literature on engagement, which shows that an engaging environment pays off. It has been proved by number of researchers that successful implementation of employee engagement as a retention strategy results in organizational performance and success.

**Johnson, (2004)** in his book he wrote “the ability to engage employees, to make them work with our business, is going to be one of the greatest organizational battles of the coming 10 years”
Employee engagement has been defined in many different ways and the definitions and measures often sound like other better known and established constructs like organizational commitment and organizational citizenship behaviour (Robinson et al., 2004). Most often it has been defined as emotional and intellectual commitment to the organization (Baumruk, 2004; Richman, 2006; Shaw, 2005) or the amount of discretionary effort exhibited by employees in their jobs (Frank et al., 2004).

Chawla & Kelloway’s (2004) in their research has highlighted the importance of employee engagement, where the employee involves in various organisational activities. The engaged employee is one who is committed towards attainment of organisation goals. They are of the opinion that in order to encourage employee involvement, organisations should consider various interventions such as effective communication system, collaboration and effective problem solving methods that enhance employee engagement. Thus, the research results of Chawla & Kelloway highlights that trust and communication are key functions of employee engagement.

Gonzalez-Roma et al., (2006) in his research on burnout and engagement has found that the core dimensions of burnout (exhaustion and cynicism) and engagement (vigour and dedication) are opposites of each other.

Konrad (2006) is of the view that for employee engagement, involvement of workforce is essential and key factor by stating, “employees who conceive, design and implement workforce and process changes are engaged employees.”

Another important engagement driver has been identified as effective communication and frequent feedback system.

Anne-Marie Kontakos et.al (2007), are of the opinion that the organizations should incorporate and leverage the two essential elements i.e., effective communication and continuous feedback to employees throughout their stay in organisation from beginning till end. These essential interventions ensures fair and just at workplace and employee engagement.

Gallup Workplace Audit (GWA) highlights the importance of effective communication that drives the employee engagement. The study conducted by GWA reveals that effective formal communication within organization is an essential
element, so that employees can perform efficiently in attaining to the organizational goals. These formal elements facilitate employees to understand the nature of job and their roles to perform it better. Such an approach facilitates discussion of performance of workforce that leads to satisfactory and free from rigidness. It makes it possible to employees to perform better and concentrate on their work.

Watson Wyatt, (2006) in the recent study conducted by him has highlighted the critical role of communication in optimising engagement levels. In their report has highlighted the relevance of communication that influence the level of employee engagement in organisation. “Communication makes a positive difference in employee engagement. High-engagement employees receive communication from their supervisors and senior management far more frequently than low engagement employees.”

Communicating continuously must be practiced and encouraged. Due to changes, organisations vision and strategy may get affected and this has to be communicated to their employees immediately because such changes may relate to their job and role. Thus to encourage employee engagement, there should be two way communication between leaders, line managers and employees. The organization must encourage and support feedback system in the process as it is considered as critical in employee engagement. Through such feedback system, employees are made aware and understand their role in attaining not only the organisations’ goals, but also their own personal goals by engaging themselves in appropriate behaviour for success. Watsib Wyatt has stated that organisations’ that communicate effectively experience greater levels of employee engagement when compared to organisations that communicate less effectively.

Watson Wyatt, (2007) is of the opinion that effective communication is most essential and a key driver to enhance employee engagement in any organisation successfully. At the time of offering job to employee, the link between employee engagement and employee development must be established at first instance. At initial stage itself, organisation should have a dialogue with employees regarding the various attributes that contributes to employee engagement and identify how best the employees’ knowledge, skills and attitudes can be utilised to attain to organisational strategic goals successfully. Watson Wyatt in their research work has identified that
employee engagement has a great impact on organisations' financial performance. The analysis of the study conducted reveals that there is a significant difference between organisations that support employee engagement and those that do not. Organizations that support employee engagement consider hiring and orientation programs as an opportunity to reinforce their strategic goals. Such organisations begin the employee development process immediately and engage and encourage employees at a competitive advantage. On the other hand, those employees who are not sure as to how they fit within the organization are of the feeling that they have limited growth opportunities both professionally and personally. Such employees also lack authority to make decision.

Ketter (2008), claims that organisations should give priority to employee engagement as they are getting expected outcomes from such developments. Hence it is observed that corporate executives are looking at the development of employee engagement as a key driver for organisation success.

Bakker and Leiter, (2010) is of the opinion that in order to ensure competitive, the organisations must motivate their employees to utilise their knowledge and skills to fullest extent including their abilities to their work. Organisations not inspiring their employees, their potential and capabilities would have remained unavailable for the company. Today, organizations expect employees to work with enthusiasm the given task by providing them an opportunity to take initiation and responsibility for the success. In short, organisations encourage their employees to be engaged in various organisational activities.

Aon Hewitt (2010), the result of his global engagement research reveals that employee is experiencing stress and work pressure and consequently, employee loyalty and involvement is declining. It is observed that, at the time of economic downturn and uncertainty, organizations streamline processes and try to innovate at great speed to overcome competition. These acts of companies pressurise employees to perform that reduces cost, and at the same time identify areas for growth. Ultimately, employees are showing fatigue due to long working hours, confusion and uncertainty.
Organizations facing the above mentioned challenges, has realized that enhancing employee engagement is a key element for its success. The employers by motivating people for high performance and trying to differentiate between employees. It is essential for organizations to spend money cautiously for right purpose. The organizations are focusing on hiring the appropriate employees in the right position for better performance.

**Rashid et al., (2011)**, has considered employee engagement as the best in attaining to competitive advantages by organisations and remain competitive.

**Ologbo and Saudah, (2011)** has stated that the subject matter of employee engagement has gained its importance by various researchers and consultancy firms, and thus occupying a position in the management literature and practised among practitioners.

**Abraham, (2012)** has stated that the global business environment is so competitive and just satisfying their employees will not yield expected results. The satisfied employees may attain to the work assigned to them, but may not contribute to higher performance. According to him employees should be given a chance to exhibit their potential by engaging and encouraging them to take initiation in business activities.

**Sange et al., (2012)**, have identified that mentoring relationship enables employee engagement. They are of the opinion that organisations investing in mentoring program can see a significant effect on employee engagement of their workforce.

**Aon Hewitt (2012)**, in their report has stated that organisations will win only when they apply an employee-centric approach to their engagement strategy and engage with employees where they are. It is observed in their study that, today employees are becoming more individualistic and giving importance to ‘my factor’ which includes ‘my career’, ‘my recognition’, ‘my desire to work’, ‘my connection to the company’ and ‘my performance, my pay and my work’. Hence employers must consider different equation to enhance employee engagement. They should not think what to do to engage employee, but think what employees need in order to be engaged.

**Dale Carnegie (2014)**, in his research paper has reported that small businesses have moderately more engaged than their bigger business counterparts. At larger
companies, research has shown engagement is directly related to a person’s relationship with their immediate supervisors. It also depends on how they feel about their leadership. The study found that at a smaller company, the employees give importance to “me factor” which has a direct impact on results.

In another research conducted by Dale Carnegie shows that 80 percent of employees were disengaged because of dissatisfaction with their direct manager. In essence, they reported that employees leave people and the organizations. Research performed by Gallup shows that engaged employees are more success compared to disengaged employees. The report of this research work showed that only 13 percent of employees are engaged at work worldwide. This means that factors such as productivity and better performance, retention of talented people and customer satisfaction are all adversely impacted. Thus, the study conducted reveals that employee engagement drives results.

Alan M. Saks, Janie A. Gruman (2014), have highlighted in their study that the two most important element of employee engagement are job resources and job demands. It is of the opinion that as individual differs; the relationship between job resources and job demands also differs moderately and further on each type of employee engagement.

NHS Leadership Academy (2014), are of the view that if proactive measures are taken to engage employees and levels of engagement across the organisation increases then there is likely to be an increase in quality and quantity of talent to the organisation. It is stated that organisations are facing challenges as to how to ensure that their people are happy both with their work and career. This is where Talent Management and Employee Engagement come together.

Blaine Donais (2014), the research conducted shows that successful employee engagement results in stronger employee loyalty, effective communication between employers and employees and mangers as well, maximum job satisfaction, increased productivity, employee retention, reduced work place conflict and improved reputation for the relative fairness of organisations. A culture of unfairness leads to
harmful effect and negativeness among employees and in turn hampers the growth of organisation in the long run.

The employees can be kept engaged in various ways (Drivers of engagement) such as by providing training, encouraging them to upgrade their skills, continuous communication on progress and goals, involvement in goal setting process and feedback system. This notion is supported by many researchers which has been witnessed in various literature review.

Engaging employees is not an easy task. Today’s, workforce are aware on new avenues and opportunities that are available at global level and thus increase in talent mobility all over the world. Employers are finding difficult to retain their talents who actually keep moving in search of growth and development opportunities. The talented employees having an aspiration to work in an environment that is challenging and tough. Cost Reduction on training programmes had an impact on employee engagement. Hence the need for proper training which in turn makes employees gain tremendous knowledge and skill to perform his job with commitment and attain the goals of an organization efficiently and consequently resulting in attainment of competitive advantage.

Josh Bersin (2015), also supports the notion of need for training. Their most engagement research shows that learning opportunities, professional development, and career progression are among the top drivers of employee satisfaction.

Deepa.M and Premalatha.D (2015), in their study has identified the various factors contributing to the employee engagement within the organisation. They have suggested that the employees who seeks constant changes and challenges may be provided with varying job assignments. They are of the opinion that planning for employees career will lead to employees more engaged towards the organisation, rather than just filling the job roles. According to them organisations must adopt different strategies to different employee in order to keep them engaged and satisfied. This is because they have found in their study that each employee is unique and expectations vary. The emphasis is on engagement as a retention strategy.
2.3.6 Work–Life Balance:
The organisations must adopt work life balance strategies so as to help employees to balance their work and non-work lives. In this regard, certain work life balance strategies have been identified such as flexible work options, job sharing, sabbaticals, offering VRS and reducing working hours. In order to facilitate flexibility at work place, some of these interventions are utilised, so that it supports employees to alleviate the negative impact of work pressure both at work-place and at home.

The various literature review on work life balance proves that employee turnover is reduced to great extent by providing flexible work options. Hence, it is felt that work life balance is the subject of interest in strategic human resource.

Hall & Associates, (1986) defines Work-life-balance as a life-long process consisting of various activities in a sequence and includes related attitudes and behaviours that forms a part of a person’s work life.

The study conducted reveals that work schedule flexibility is negatively associated with work family conflict. It is found that greater the flexibility lower is the work family conflict. In other words, higher the work schedule flexibility, higher is the work life balance.

Adams et al. (1996) explains the relationships between work and family. It is found that this relationship have an important effect on job and life satisfaction. It is also observed that the workers level of involvement at work and family roles are associated with each other.

Loscocco (1997) has observed the people as to how they manage their time at work and family. For this purpose he has collected data from thirty people who are self-employed by interviewing them. The results revealed that people who are self-employed had considerable control over their work and personal lives. This in turn helped them to curb the intrusion of work into family life. However, the importance of flexibility was more to women when compared to men.
Hammer et al. (1997) reported that work family conflict reduce drastically when work schedule flexibility is provided to an employee.

Newman & Matthews, (1999) has mentioned in his paper that over a few decades, the most prominent topic in the society was with regard to work life balance issues, where balancing one’s personal life with that of professional life. The term Work life balance is not a recent topic as it has been used since 1970 in which the relevance of maintaining balance between one’s personal life and professional work has been described.

Kanter (1977) opined about the "myth of separate worlds" where according to him the work and family are two separate but essential part of an individual’s life which cannot be ignored. It is clear from this that the concept of work life balance is inescapable and linked with each other and an individual to remain satisfied and stress free in life has to strike a balance between his work and family life. The subject work life balance has become so popular and interest driven not only by business and management, but also by government, researchers and employee representatives. This interest is driven due to unbalanced work life relationship that results in low productivity, reduced health and unsatisfied life of an individual.

Greenhaus, et al. (2000) viewed work life balance as a pattern of work relating to experience of one’s life, the position of his work, work related duties or activities and decisions pertaining to his work and interpretations of events, related to his work, such as values, desires, feelings of work experience, aspirations, expectations from work, where all of which have an impact on individuals span of life.

Duxbury and Higgins (2001) has identified three kinds of work family conflict and examined its effect on overload of work, work life interfering into family life and family life interfering into works life which has an impact on the organizational performance and quality of life of employees. It was found that work-life conflict had a negative impact on performance of work assigned to him in the organisation and also on employee’s personal life. Employees whose work is overloaded or whose work life is interfering with family and vice-versa has resulted in stress, experienced burnout, dissatisfaction with life, and ultimately deterioration in both mental and physical health.
Hansen (2002) in the study conducted by him reports that the reason for attrition especially among women employees is due to that they want to spend more time with their families. Thus, the relevance of work life balance strategies as a retention tool of talents.

Smola & Sutton, (2002), states that present younger generation entering into work life are giving more prominence to work-life-balance when compared to older generation workforce. In spite of the efforts to strike balance between work and life, are not able to attain work life balance to the desired extent.

Sturges & Guest (2004) points out in his research that the present situations are demanding the workforce to spend long hours in achieving their targets and consequently, there is imbalance between work life and personal life leading to unsatisfied life.

Sturges & Guest, (2004) has highlighted that the work pressure is so high in present business scenario, where the employees are made to work for more number of hours in order to attain to the targets set for them. Consequently, failing to achieve work-life balance to the desired extent. It is found that, due to changes in technology, demographic and structural changes in employment has lead to greater demand for multiskilled and knowledgeable (Carnoy & Castells, 1997), are being allied with bad experiences of work such as additional workload and unaccepted contingent work which is mandatory. It was observed that there was a correlation between these experiences directly and indirectly with that of the quality of family life (Greenhaus & Beutell, 1985), psychological well-being, and health (Cooper & Smith, 1985; Nolan, Wichert, & Burchell, 2000).

Further, Sturges & Guest (2004) is of the opinion that the work-life-balance exist only when an employee is able to function in balanced way both at home and work place without any intrusion. In other words work life balance exists when there is minimum role conflict between work life and personal life. The conflict between work and family life arises when there is incompatibility between the demands of non-work and work domain and consequent to this, employees experience a lack of work-life balance.
Thorthwaite, (2004) is of the view that traditionally, work-life balance was focused on individual employees as an issue and aimed at satisfying organisational employees and improve work life balance by arranging programs such as child care or counselling system so as to help employees to manage their family life better. However, with growing demand for highly skilled employees which is found to be in short supply and war for talent, the concept of work-life balance has gained even more importance and talented employees expectation of flexibility at work place has increased.

Hudson, (2005) is of the opinion that in the context of shortage of skilled and talented people, along with the likelihood of ageing workforce across the organisations globally, it is indispensable for organisations to incorporate work life balance practices, so as to attract talented people and retain them for a longer period.

Pocock (2005), is of the opinion that in order to attract and retain a workforce with diverse skills and knowledge, work-life balance is often viewed to be more important for women who has more responsibility towards family life and at the same time to support and attract younger generation who have high expectation of flexibility at work place.

Hudson, (2005) in his research has pointed out that organizations today, for its sustainability, should consider work life balance practice as mandatory rather than just encouraging and managing it. It is necessary to frame feasible work life balance policy that benefits both the organisation and its employees needs. It is observed that, organisations failing to provide facilities that ensure employee work/life balance are confronted with various challenges such as high attrition rates as a result of dissatisfaction and unproductive employees. It is not just enough creating a framework of work/life policy, but also creating an organisational culture that facilitates and supports the employees to make use of available policies is of great importance.

Grawitch, Gottschalk & Munz (2006), has observed from the various study that work-life balance practice results in job satisfaction and ultimately increase involvement and commitment of employees towards attainment of organization goals that leads to higher productivity and lower employee turnover in organisation.
Kenexa (2007), in the research conducted reveals that employees of those organizations that support work-life-balance issues are more contended in their job and expressed their willingness to work in same organization with great pride and morale.

Lewis et al, (2007) has identified that in today’s changing business environment, particularly the demographic changes has envisaged the needs of workforce across organisations globally. Thus, the concept work-life balance has become the hot topic for various researchers and practitioners. It is felt that work-life balance issues are highly salient for many individuals that has lead to increased recognition.

Edmund Heery & Noon (2008), is of the opinion that Work-life-balance principles must be adopted in integrating employment with personal life in the interests of personal and social well-being of every workforce. From the employees perspectives, Work Life Balance is considered to be attaining a balance between work and family responsibilities.

Julie Morgenstern is of the opinion that Work-life balance is not just related to the amount of time an employee spend at work and home. It is about how much of time an employee spends working relaxingly without any sort of pressure or stress both at work and non work activities. To illustrates the fact with an example, it is stated that, "If you organize your workday efficiently, staying very focused, and getting lots of things done, you feel a sense of accomplishment and satisfaction that enables you to leave at the end of the day and relax into your personal life. Similarly, if you mindfully plan the activities you do in your time off to be ones that truly recharge you, getting your mind off of work and into things that bring you pleasure, joy and rest, then you are energized and able to perform well at work. You have the perspective, objectivity and adequate rest to bring your best focus to the job. That, to me is work-life balance, and is attainable to everyone".

De Cieri et al., (2008) has defined work-life initiatives as those strategies, policies, programs and practices embraced in workplaces to ensure flexibility, quality of work and life, and consequently reduction in work-family conflict. In other words, work-life balance is about how an individual balance his time by controlling it by deciding as to when, where and how it has to be performed.
Macky and Boxall (2008) reported that employees experience greater imbalance in the relationship of their work and family life due to long working hours. He has identified five variables involved, such as decision making power and behaving autonomously, provision for information, rewards, job knowledge and team work. These variables were correlated with work life imbalance and was found to be negatively correlated. Even though work life balance policy was adopted by organisations, employees were dissatisfied and felt greater work life imbalance due to work pressure and long working hours.

Kanwar, et.al. (2009) had observed in their study the level of job satisfaction among the employees of IT and ITEs sector and also studied the impact of work life balance on the same. The study aimed to know the relationship between work life balance and job satisfaction and was found to be positively related to each other. Accordingly, it was inferred that more work life balance practices in organisation, greater the job satisfaction that leads to high morale and productivity of organisational employees.

Ioanlazar, Codruta Osoian, Patriciaratiu (2010) viewed that work life balance practices in organisation reduces work-life conflicts and increase one’s morale and loyalty towards their organisation. The impact of such practices results in more job satisfaction, less absenteeism, and high productivity, greater commitment and loyalty towards organisation with increased organizational performance.

Burke (1991 & 2010) examined the relationship between the perception of men regarding their understanding of Work Life Balance practices in their organisation where they work & their work experiences. The various studies had focused more on the opinion of women regarding Work Life Balance where as the present study focussed on the perceptions of men regarding work life balance practices in organisations. The organizational values of employees at managerial level (men) reported that organisations work-life balance practices was satisfied to great extent by reducing working hours. This in turn results in lower level of job stress, more enjoyment in work, no intention to leave the organisation, greater career opportunities and thus satisfaction in one’s life. Consequently, it was observed that employees experienced with less psychosomatic symptoms and more positive emotional and physical wellbeing.
Deepti Sinha, (2013) in the study conducted by her has found the perception of employees towards WLBPs in CCIL (Clearing Corporation of India Ltd.) and their satisfaction level with regard to WLBPs. She found that majority of employees are aware of WLBPs and are not fully satisfied with WLBPs in organisation. The employees expect better and improved WLBPs in the organization.

Manisha Purohit, (2013) in her study has found that only 30% of service sector (software) have WLBPs policies and these are the companies having international exposure linkages. She has found that there is no Flexible working hours found in manufacturing sector and it is more common in service sector especially in IT industry (80% of IT industry). Work from home is not very popular among service and manufacturing sector but only two- fifth (40%) of IT industry offer such policy. It is identified in her study that Sabbatical, paternity leave, job sharing, part time work are absent in Indian manufacturing and service sector.

The ILO report (March 2013), has given a comparative maternity and paternity leave entitlements in various geographies. According to this report Russia and Italy provide the maximum leave entitlements for maternity and paternity leaves with as many as 140 leave entitlements(20 weeks), followed by Brazil (17⁺ weeks). The ILO also corroborates that India is among the nations where average maternity leave entitlement is among the lowest in the world. Besides that, a majority (50%) of organizations in India provide less than a week’s time off for paternity. Some nations such as the UK, provide a maximum of 280 days of maternity and paternity leaves with as much as 90% of pay.

People Matters Report (December 2013) in the survey conducted by the researchers has compared among employers to benchmark leave and vacation practices in India and other geographies. A total of 70 CEOs, MDs and HR Heads participated in the survey and the results indicate that in many areas, there are remarkable differences between Indian and global employers when it comes to their approach and commitment toward employee leave and vacations. According to ILO, Indian employers lag behind their peers in a majority of the global employment markets purely in the number of formal leaves granted.
Sarit Sambit Parida (2016), has identified in her study two types of Work-Life Balance Practices in India – as Statutory Work-Life Balance Practices and Non Statutory Work-Life Balances. It was mandatory and compulsory to practice statutory Work-Life Balance Practices which is found to be minimum benefit of this type given to an employee under India Labour law. On the other hand, Non Statutory benefits are the optional in nature. It is found that among all other sectors, IT industries adopt more work-life balance practices.

The reviewed literature shows that every organisation should embrace pragmatic and integrated approaches to talent management practices. However it is found that there is little rigorous research on talent management and its relationship with retention of talented employees of manufacturing and service sectors in Bengaluru. The explored theoretical models and empirical studies have failed to address the role of talent management and its effectiveness on employee retention in various manufacturing and service sector organizations. Again most of the empirical studies were found to be undertaken in developed nations while only few studies were undertaken within the local context. A need for more comprehensive study on talent management is felt in order to improve its practices and attain to its challenges that affect retention of talented people within the context of manufacturing and service sectors in Bengaluru.

A number of studies indicate that developing countries are faced with the problem of adequate qualified employees (EFA Global Monitoring Report, 2002; Kanyiri, 2009; World Bank, 2003). Although the review of the literature demonstrates that talent management is a growing field, the effect of talent management and its added value has still not been explored. Moreover, research dealing with the appropriate reasons for high attrition in both manufacturing and service sector is lacking. The available literature is mostly confined either only to manufacturing sector or service sector. For these reasons, the current study seeks to investigate and provide literature on comparison of talent management issues in both manufacturing and service sector in Bangalore.

2.4 Research Gaps
Most of the organisations have realised the importance of their talents and struggling hard and introducing various strategies to manage their talents so as to retain them in
their organisations. It is a challenging task for HRM to acquire, retain and develop the talents today, as there is a crisis of short supply of talents with required skills all over the world.

Today not only the service sector, even manufacturing sector is facing severe short supply of talents and high attrition rate. The existing literature review on talent management in manufacturing and service sectors of Bengaluru is scarce. Hence, the current study aims to contribute to the literature on talent management in manufacturing and service sector by making comparative study and provide empirical evidence to broaden the knowledge on the subject.

The various literature review have shown that most talent management in employee retention research studies have been carried out either in manufacturing sector or service sector alone. There is a dearth of comparative empirical with respect to talent management in manufacturing and services industries. Beside there is limited research on Talent Management in Service Sectors like hospitals and banking sector.

The human resource problems faced by the different Service Sectors like IT, ITES, BPOs, Banking and Hospitals and in Manufacturing Sectors like Automobiles, Textile and garments, Chemical and Chemical products, Machinery and equipments are not the same. Similarly, the reasons for attrition like Compensation trends, Work life balance, Training and Development practices varies from sector to sector. The present study aims in identifying the reasons for attrition in different sectors and make suggestions as to how to acquire, manage and retain talents.

And again, few studies have used samples from Indian organization and Bangalore in particular, thus challenging the generalisation of these studies to an Indian context. In order to improve and develop the subject talent management, a more comprehensive study has to be undertaken to overcome its challenges affecting retention employees within the context of Manufacturing and Service Sector in Bengaluru which this study is to address.

Talent management is considered to be the most important factors for sustainable growth in organization (Mc Donnel, 2011). The reviewed literature shows that a rigorous research has to be undertaken to explore relationship between talent management and retention of employees in Manufacturing and Service Sector in
Bengaluru. This has therefore left a major knowledge gap on how career development, reward management, work life balance and training and development affects employee retention in Manufacturing and Service Sector in Bengaluru. This study aims to fill the missing knowledge gap by establishing the role of talent management on employee retention in different sectors and make a comparative study in Manufacturing and Service Sector with regard to Talent Management issues particularly in Bengaluru.

To sum up the research gaps found in the study are-

- In the existing Literature Review, very few researchers have made a comparative study of Talent Management in manufacturing and service sector.
- No specific reason for attrition in manufacturing and service sector is found.
- The specific retention strategies that are suitable to manufacturing and those which can fit appropriate in service sector has not been found.
- Though the strategy adopted by organisations to retain their talents is identified in the study, its impact on employee retention is not outlined.