



# Narrowing Talent Gap: An Analysis on Effectiveness of Internal Talent Development Strategies in Small Enterprises.

Kavitha S R<sup>1</sup>, Keerthan Raj<sup>2</sup>

<sup>1</sup>Research Scholar, College of Management & Commerce Srinivas University, Karnataka, India  
Assistant Professor, Dr. N.S.A.M First Grade College

<sup>2</sup>Research Supervisor, Dean, Institute of Management & Commerce, Srinivas University, Karnataka, India

## Abstract

Talent Capital is an active and dynamic resource needed for any organization to grow consistently. Talent Capital Management is the process of assessing the needed number of employees needed for completing the tasks and the skills needed for each task. The talent gap is the difference in number of employees needed for each position in the organization chart and the number of employees available at present in the organization. Internal Talent Management strategies include automation, training, assigning extra jobs, restructure the jobs based on employee involvement needed in quantitative measures ( hours or units, or both units and time). This helps to increase employee engagement effectively and can identify the areas where the level of automation can be increased or outsource talent in the tasks having lower employee engagement rates.

The respondents of this survey are the managers or entrepreneurs and tool used is an employee utilization chart in which the effective rate of engagement is used to distribute the tasks and identify talent gap.

It is case a panel study in which 89 firms participated from four sectors, retail, Manufacturing with assembly line, Engineering, food processing, and continuous process firms. The survey was conducted from April 2022 to October 2022.

The results shows that, there is a shortage in talents in engineering , continuous process industry as task based skills are important. In assembly line, the work rate is adjusted with the available talents or prefer to outsource. In retail sector, the talent need is adjusted with part-time. Generic and traditional knowledge are acquired fast.

**Key words:** talent management, training, entrepreneurs

Received 06 Mar., 2023; Revised 17 Mar., 2023; Accepted 19 Mar., 2023 © The author(s) 2023.

Published with open access at [www.questjournals.org](http://www.questjournals.org)

## I. Introduction

Talent gap is one of the challenge faced by the small enterprises as it is a resource imbalance existing in the firm. The experienced and expert labours are expensive. A similar concept of ‘ buy or make’ exist in any firm based on the frequency of use of an expert and the cost for it. Employee engagement and employee performance decide the output. Since the evolution of Industry 4.0, the firms opted for improving economies of scale by increasing production at a lower cost to sustain in competitive market.

There are two options for every firm, and they are, continuously improve the work force with the best available in the market through substitution or improve the talent base within the firm through training and motivation. It is puzzle for any management to balance four parameters, quality, performance, expertise and loyalty. The question is to evolve a strategy to retain or relieve and it is a real challenge for the recruiters to draw a line of demarcation.

The resource based view explain four aspects, VRIO(Valuable, Rare, Inimitable and Organizational). The talent is unique, rare, inimitable and organizational as the recruiters choose candidates to fit into to the talent needed for the firm and have specified knowledge, Skill, and Other attributes to meet the need of each task.

**Challenges faced by small enterprises**

Acquiring right talent in time is the real challenge faced by the small enterprises due to either scarcity or its cost. In the competitive market, both cost and quality are important. Automation and mechanization reduced the labour dependency in quantity, but the demand is for complex skills for managing the process than doing themselves. Hence, profile for jobs shifted from craftsmanship to standardization and process and the role to supervision and control. High dynamism in innovation and creativity in new technologies demands digital skills and advanced automation management while the fresh talent supply lack the advanced skills to the slow update in vocational and higher education. This compels to provide training at the cost of productivity. The second challenge is the redundancy in employment due to talent shortage. It is generated due the lack of up-skilling of employees with the technology advancement for new technologies. In the case of obsolete technology, the technology change cause reskilling. The trainability is one of the challenges faced in talent updating.

The internal facilities are not adequate to train the employees in new technologies and hence, need to depend on external facilities. Hence, the training facilities as vocational training is essential. It lacks adequate facilities and cost is high as well(Brown, et al., 2018). Experiential learning is the only tool improve skill in existing employees and the on-job training is essential for it (Kolb, 1984) in which the conceptualization is empowered with knowledge, skill and other capabilities(National Employability Report - Engineers : Annual Report 2019, 2019).

Industry 4.0 components enabled the firms to transform the operational platforms with advanced technologies and driven by digital skills (Readiness for the Future of Production Report 2018, 2018). Real time and job-based training help trainees to get adequate capabilities(García, 2000).

The prime drivers for career advancement are, communication skill, digital skills, interpersonal skills, leadership , creativity , problem solving, critical thinking and digital iteracy(Bridgstock, White, Mather, McCandless, & Grant-Iramu, 2019)..

**Skill development :A need**

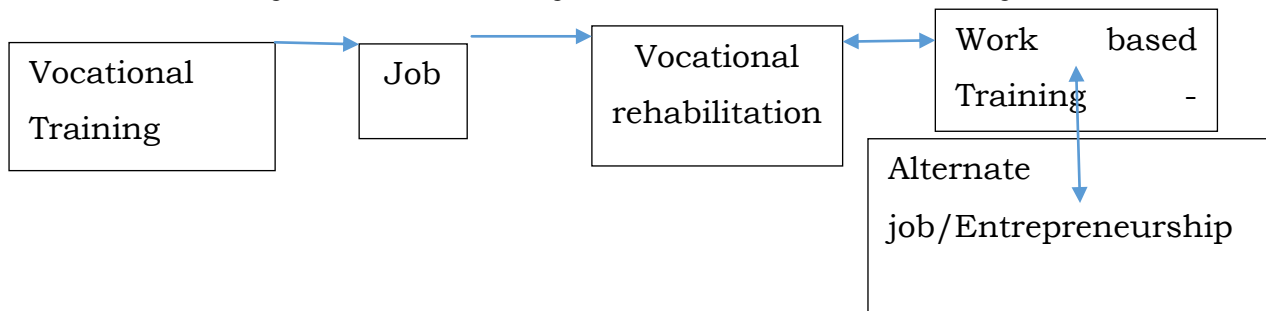
Training on trades is an opportunity for self-employment and skill advancement(Kumar, Mandava, & Gopanapalli, 2019). The vocational training has improved the employment opportunities as both self-employed or as employees (Report on Education, Skill Development and Labour Force Volume 3, 2015-16). Reduction in unemployment among experienced employees improve life quality and use of their experience in a productive way.(Siggeirsdottira, Brynjolfsdottira, & Saemundur Oskar Haraldssona, 2016) Personal wellbeing improve quality of work (Burckhardt & Anderson, 2003),and improve engagement

**Challenges in Vocational rehabilitation: opportunity based and psychological based.**

The technology adaption gap (Çimşir, 2019) is the prime challenge while, . Cognitive dissonance, Fear of failure, ambiguity, lack of confidence, fear of Social status and peer opinion are a few blocks. (Wehmeyer, 2003).

Conceptual model

Figure 1: Vocational training and Vocational rehabilitation counselling



**II. Research Methodology**

The data was collected from those who had lost job in the post COVID period and the objective was to find the response of the employees whether they needed a vocational training or not. Sample size is 230 and they had been working in small enterprises. Percentage analysis and regression analysis are used.

**Objectives**

a. To analyse the need of internal training for talent optimization

Distribution of responses based vocational training and job (table 1)

Table 1 : Percentage of employees who changed job in the post COVID

Sector	No Job Change	Jobless	Re-joined	Corrective measure	Total
Manufacturing	61%	16%	11%	12%	100
Service	51%	18%	17%	14%	100
Retail	53%	16%	21%	20%	100

Table 2:  
Regression Models

Model	R	R	F	Sig	Number of cases
Criteria for internal talent development	0.39	0.15	9.63	0.02	62

Table 3: Reason for changing job

Reason for change in job	Automation	Performance	Health	other issues
	18	58	14	10

Variable	Mean	Beta	T value
Criteria for Internal Talent management	2.87	1.8	2.6
Need of training	2.78	.23	2.10
Increasing skill gap	2.65	.21	2.32
Introduction of new technology	2.32	.02	1.23
Inadequate man power	2.23	.12	1.34
Inconsistency in performance	2.45	-.32	2.39
Changing market needs	2.32	-.21	2.12

The multiple regression model shows that, need of training, and increasing skill gap, cause positive change while inconsistency in performance and changing market needs have negative coefficients.

### III. Conclusion

Results of this research shows that the acquisition on new talents is not easy due to skill gap while employment of redundant employees is also difficult due to the need of up-skilling. The talent gap increases due to the technology adoption. The lack of adequate facilities and increase in cost of training goes beyond the ability of employees. This is a case that need appropriate strategy for up-skilling of redundant employees to reduce the supply gap,

The results shows that training can change internal talent level . Recruiting apt candidate can reduce training cost as well

### Bibliography

- [1]. Bridgstock, R., White, P., Mather, D., McCandless, T., & Grant-Iramu, M. (2019). *Jobs of The Future*. Deakin University , Griffith University, and Ford Motor Company of Australia Limited.
- [2]. Brown, J., Gosling, T., Sethi, B., Sheppard, B., Stubbings, C., Sviokla, J., . . . Fisher, L. (2018). *Workforce of the future : The competing forces shaping 2030*. Pricewaterhouse Coopers.
- [3]. Burckhardt, C. S., & Anderson, K. L. (2003). The Quality of Life Scale (QOLS): Reliability, Validity, and Utilization. *Health and Quality of Life Outcomes*, 1-7. Retrieved from <https://hqlo.biomedcentral.com/articles/10.1186/1477-7525-1-60>
- [4]. Çimşir, E. (2019). VOCATIONAL REHABILITATION SERVICES AND REHABILITATION COUNSELING AS A NEGLECTED AREA IN TURKEY. *Bolu Abant İzzet Baysal Üniversitesi Eğitim Fakültesi Dergisi*, 19(1), 114-124.
- [5]. García, M. A. (2000). Types of vocational training and their use. Retrieved from : <https://www.researchgate.net/publication/242552190>
- [6]. Kolb, D. A. (1984). *Experiential learning: Experience as the source of learning and development (Vol. 1)*. Englewood Cliffs, New Jersey : Prentice-Hall.
- [7]. Kumar, R., Mandava, S., & Gopanapalli, V. S. (2019). Vocational training in India: determinants of participation and effect on wages. *Empirical Research in Vocational Education and Training*. doi:<https://doi.org/10.1186/s40461-019-0078-y>
- [8]. (2019). *National Employability Report - Engineers : Annual Report 2019*. Retrieved from <https://www.shl.com/wp-content/uploads/en-national-employability-report-engineers.pdf>
- [9]. (2018). *Readiness for the Future of Production Report 2018*. World of Economic Forum. Retrieved from [http://reports.weforum.org/country-readiness-for-future-of-production/?doing\\_wp\\_cron=1629750461.9322390556335449218750](http://reports.weforum.org/country-readiness-for-future-of-production/?doing_wp_cron=1629750461.9322390556335449218750)
- [10]. (2015-16). *Report on Education, Skill Development and Labour Force Volume 3*. CHANDIGARH: GOVERNMENT OF INDIA , MINISTRY OF LABOUR & EMPLOYMENT, LABOUR BUREAU. Retrieved from [https://cse.azimpremjuniiversity.edu.in/wp-content/uploads/2018/01/EUS\\_5th\\_2015-2016\\_Vol\\_3.pdf](https://cse.azimpremjuniiversity.edu.in/wp-content/uploads/2018/01/EUS_5th_2015-2016_Vol_3.pdf)

- [11]. Siggeirsdottira, K., Brynjolfsdottira, R. D., & Saemundur Oskar Haraldssona, c. (2016). Determinants of outcome of vocational rehabilitation. *Work*, 577-583. doi:10.3233/WOR-162436
- [12]. Wehmeyer, M. L. (2003). Self-determination, vocational rehabilitation, and workplace supports. *Journal of Vocational Rehabilitation*, 67-69.