

Managing Talents in SMEs in Global Perspective

*This report is submitted as a partial fulfillment of the degree of Master in International Human
Resource Management*

Submitted to

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10 July 2021

Letter of Acceptance

This is to certify that **Md. Rahim Ul Islam**, ID No- **115 193 002**, MIHRM program, School of Business & Economics, United International University (UIU) has successfully completed his Dissertation (project) work under my supervision.

The title of his Dissertation report is- **“Managing Talents in SMEs in Global Perspective.”**

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LETTER OF DECLARATION

I, the undersigned, hereby declare that I have completed my project under the supervision of **Abu Saleh Md. Sohel-Uz-Zaman**, Professor, School of Business & Economics, United International University (UIU), Dhaka, Bangladesh.

I have prepared a report on “**Managing Talents in SMEs in Global Perspective**” that is my own work.

Neither part of this report is copied from elsewhere nor submitted before for any academic qualification, certification, diploma or degree to any other university.

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Acknowledgement

The project was prepared as a part of the requirement for accomplishing “Masters in International Human Resource Management” (MIHRM) at United International University (UIU), Bangladesh. The researcher would like to acknowledge the support of the honorable supervisor- **Abu Saleh Md. Sohel-Uz-Zaman**, Professor, School of Business and Economics, UIU and the honorable director and the department of MIHRM. The researcher would also like to convey thanks to the interviewees who participated the survey and interview; and the scholars, academicians, researchers and professionals whose works contributed significantly to complete the project.

Abstract

Talent Management (TM) in organizations can be compared to gardening; the more “Talents” are nurtured, the more they will flourish the organization. However, talent management and extensive research and development work on this ground is still an emerging trend in Bangladesh, especially regarding SMEs (Small and Medium Sized Enterprises), it is like needle in a haystack. The main goal of this project is to review the existing literatures of TM in SMEs, current scenario of it in Bangladesh, the policies and practices of TM in SMEs and challenges and opportunities of it. The outcome shows how TM is inaugurated and fostered and the impact of it in SMEs by comparing two organizations of Bangladesh.

Keywords: *Talent Management, SME, Human Resource Management, Recruit, Retain, Succession Planning*

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Chapter 1: Introduction

Attracting right employee to take on key roles at right time is not anything new to Human Resource (HR) professionals; however, if done effectively, talent management can be achieved by aligning talent management strategies with business goals and all aspects related to them to ensure the long-term success of the company; it is an integrated processes it creates a “Talent Mindset” in the organization. Today, effective corporate talent management is essential in order to gain a competitive advantage, companies need qualified employees at each levels. Therefore, the companies hope to gain and retain the best employees for achieving organizational goals with the help of requires resources including funds, personnel, and machinery. People are one of the most important resources. The uprising of a company depends to a large extent on the contributions of the people working there. In "talent war", all the organizations want to fetch the most talented workers. The search for talent is not limited to organizations in one country. In addition, companies all over the world are competing for the same talent pool. Therefore, talent management in the context of globalization is a challenge for all organizations, no matter which country they are in (Ali and Guha, 2019).

A cursory look at the commercial and general literature on Talent Management will undoubtedly come to the conclusion that it is a popular and evolving field. Look for the term "human resources talent management.", at the end of 2004, a popular Internet search engine generated more than 2,700,000 clicks. A year later, searching for the same word found more than 8 million clicks. In addition, the number of consultations involving TM and the number of publications on the subject continues to increase, it can be assumed that "talent management" is a clearly defined field of practice established through extensive research and fundamental principles. Since a group of McKinsey consultants invented the term "talent war" in 1997, the topic of TM has gained considerable practical significance. Although the environment may have undergone major changes since the second half of the last century, the concept of talent management is still important. During the economic recession in the second half of the first decade of the 21st century, the positive advantages of organizational human capital have become more important. Strategic TM referred as activities and processes which include the systematic identification of pivotal positions that

keep contribution to the sustainable business advantage of the organizational structure in different ways, the development of high-potential and high-performance talent pools to realize these advantages, and the development of differentiated personnel structure to facilitate competent personnel to fill the positions and ensure their perpetual commitment. In this context, it should be noted that pivotal positions are not necessarily limited to the senior management team, but also include below the senior management level, which may vary depending on the operating unit, in fact, in a longer period of time (Collings and Mellahi, 2009).

Talent management failure has always been the source of headache for today's organizational executives. In the previous generation, TM practice, especially in USA, were generally dysfunctional, big companies to shift from surplus talent to scarcity and surplus. Basically, TM only predicts human capital needs, and then implements plans to meet these needs. The current answer to this challenge is mainly divided into two different and equally ineffective camps. The most common is inaction: do not need at all; don't plan to train them (which makes the term "talent management" meaningless). This passive approach was heavily outsourced and has now failed because the excess management talent has disappeared. The second type, which only applies to large old companies, is based on complex bureaucratic predictions and successor models in the 1950s-legacy systems that appeared in an era when trade was very predictable, but now fail due to inaccuracy and high costs and unstable environment. Now is the time to adopt a new approach regarding talent management, it takes into account the huge uncertainties facing companies today. For the old human resources department, TM is not just a new language, nor is it just another fashion that resource managers and professionals should participate in, it became a strategic priority. A McKinsey study shows that 75% of CEOs are worried about talent shortages. Deloitte said that 87% of interviewed hiring managers listed retention of top talent as their top priority. The population structure of the labor force changes, the labor force is reduced, and the talent is reduced. More severe economic conditions require the separation of talents and TM. The emergence of new companies to absorb talent from larger organizations. Global leadership orientation that now permeates many company levels. For example, if the company has the right talents to play key roles at the right time, in terms of income, innovation, and organizational performance, how are these people different from

those who have to work without them? What is the price of the lost opportunity? What are the results if companies have to deal with the wrong two-level governing executives and managers, or if top executives are not ready and unwilling to succeed? According to study, 3-quarters of corporate leaders have invested significant resources in TM, however, most said they haven't experienced any impact of it (Ashton and Morton, 2005).

More than 99% of organizations in Organization for Economic Cooperation and Development (OECD) and International Forum of Governments and Central Bank Governors of 19 Countries and the European Union (G20) are small and medium enterprises (SMEs)- companies whose number of employees is below a certain level (OECD iLibrary | Taxation of SMEs in OECD and G20 Countries, 2015). The abbreviation "SMEs" is used internationally like World Bank, European Union, United Nations, and World Trade Organization. SMEs are great employers and contribute to international economy. The number of employees and interpretation depends on the classification and national conditions. In Europe, the limit is 250, and in USA it is 500 or more. According to EU standards, companies are divided into three types: 1) Micro (less than 10 staffs), small (10-49) and medium-sized companies (50-249). Although human resource practices are an important factor in the success of small businesses, small and medium-sized enterprises often face the problems of insufficient manpower, lack of TM processes, or insufficient formalization, but their strategy largely depends on the owner's ideas. A very typical degree of informality for SMEs is observed in personnel policies. In terms of recruitment, individual SMEs face greater challenges than large companies. For example, due to lack of resources, only suitable recruitment methods that may not be suitable for qualified personnel can be used. In addition, there necessity to be a high degree of consistency between individuals and organizations, incorporating the values and standards of SMEs, which need to be clearly formulated at the contract stage. Mastering the talents needed by the company to implement strategic measures through human resource practice is no different for small and medium-sized enterprises. These initiatives are conducted to support the realization of the company's strategic goals and employee outcomes, such as performance, engagement, and ethical behavior. The goal of SMEs' TM practice is to give the company capable and motivated employees on the one hand, and to ensure that

employees have an environment in which they can thrive and prosper in the other (Harney B., 2015).

1.1. Purpose

The core purpose of the project is to present an overview of the TM system and TM practices in SMEs of Bangladesh, in order to find out if TM is applicable or already applied in SMEs, and the impact of TM in SMEs of Bangladesh. Furthermore, brief research work will be conducted on current aspects of TM in global SMEs as well to serve another core purpose of the project to dig out the similarities and dissimilarities with Bangladesh. The scope of the project is to establish a comparison study of two (2) organizations- 1) GTR and 2) Leopad [The names of the organizations are disguised due to confidentiality]. The report followed the established categorization of TM practices, involving:

- *Planning*
- *Recruitment & Selection (R&S),*
- *Training and Development (T&D),*
- *Performance Appraisal (PA),*
- *Retention and*
- *Succession Planning (Festing, Harsch, Schäfer and Scullion, 2017)*

Research outcomes from this project can be used to create a useful resource for leaders, HR practitioners, as well as current and prospective employees of both organizations and rest of the SMEs to help employers and employees facilitate and better manage their TM process. The information provided herein is evidence-based and stems from the existing literature in this area, paired with primary research conducted as part of the project. It should be noted that this report also provides vast literature on- TM, Organizational Size and its Impact on TM, TM in SMEs, TM in Small, Medium and Large Organizations and TM practice in SMEs of different countries (Poland, China, Spain and Bangladesh). The report also consists of wide explanation on the methodologies used to complete the report, company background, data findings, analysis and interpretation of the chosen organizations. The concluding part of the report would be furnished with a brief summary, existing or potential problems regarding TM and recommendations to overcome those, further scopes of research and references.

TM practices nowadays are desired and appreciated by the generation of the Millennials who by 2025 will make up 75% of the workforce and account for the majority of workers and decision-makers in organizations (Deloitte, 2014). Moreover, the unique characteristics of the youngest generation of employees, like their distinct values, attitudes, and ways of working and living are transforming the organizational landscape. Finally, young employees are said to expect a lot from the organization, as suggested by the recent report “Big Demands and High Expectations” and, by matching such expectations, employers are able to better attract, manage and retain talents. By taking the facts in consideration, the researcher found the chosen topic as the most suitable one for the final project of MIHRM (Master in International Human Resource Management) in UIU (United International University).

Chapter 2: Literature Review

2.1. Talent

Talent can be defined as particulars who can improve organizational performance by directly contributing or demonstrating the highest long-term potential. Another scholar defines the "person" as a talent with knowledge, skills and experience that can influence the way an organization operates (Lewis and Heckman, 2006). Talent is a combination of 3 factors: skills, opportunities, motivation. Inclusive and exclusive both methods are used to define talent. Similarly, talents can be regarded as the quality possessed by the employees at different levels, which can be improved through various talent development plans. As everyone has their own beliefs and concepts, and the value of talents, it means that everything depends on the opinions of business leaders or writers. It is a weapon to overcome market competition, so talent management is not only a tool of strategic opportunities, but also an important tool for corporate survival.

2.2. Talent Management & Strategic Talent Management

Talent management is the process of meeting organizational needs by recruiting, retaining, and training people with appropriate skills. Personnel, team, position and practice are four philosophies that basically dominate the field of TM. Therefore, TM is a comprehensive measure, including recruitment, selection, development and retention of the most talented and potential workers to complete strategic functions. Scholars pointed out TM as an integrated method to attract, retain and develop HR. Other academicians regarded TM as an important catalyst for achieving business excellence. By expanding the talent pool, the entire human capital development process emphasized the development of skills at all levels of the company. TM involves formulating and implementing strategies to attract, retain, and training the company's most valuable talent. This is a way to work with the most productive and outstanding people (Ali and Guha, 2019).

Conceptually defined as "a set of integrated processes, plans, and cultural norms within an organization aimed at attracting, developing, using, and retaining talents to achieve strategic goals and meet future business needs", Strategic TM is the activities and processes involved in the systematic identification of pivotal positions that contribute to the sustainable competitive advantage of the organization in different ways and cultivate a

group of talents with high-potential and high-performer employees, develop a differentiated personnel structure to promote these positions to be held by capable people and ensuring their continued commitment to the company. The idea of STM originated in the 1990s, when McKinsey's consultants coined the term "The war of Talent", implying that it was a "key factor in corporate performance." Since then, this topic has aroused great interest among scientists from various disciplines. Some scholars believe that STM considers human capital in advance, and then develops plans for evaluating employees, rewards and punishments. Other academicians believe that STM is one of the most important factors affecting employee performance. STM-related issues are crucial not only for large companies but also for small companies' growth because these companies are seen as engines of global growth. The shortage of skilled workers and the loss of talents have also become major problems faced by many companies around the world. Companies large and small are trying to retain employees and motivate their key human resources to make the most outcome from them (Cui, Khan and Tarba, 2016).

2.3. Organizational Size & Its Impact on TM

The literature emphasizes that SMEs differ from large companies in the general methods of HR management and practices. They are more likely to accept skilled workers, higher external salaries and career opportunities, a formal performance evaluation system, more investment in education and training, and a more developed domestic labor market. As a large company, they have a talent management strategy, and they focus on the management level rather than the strategic level. Although the size of the organization seems to be an important factor in predicting formal human resource practices, it is not the only factor, as the wide variation in complexity indicates. Human resource practice of SMEs. The employment relationship of SMEs depends not only on the size of the company, but also on the scale related to the industry and other background factors. The researchers pointed out many reasons why the large-scale enterprise approach is not suitable for the role background of SMEs. First, the job positions and hierarchy of SMEs are still developing. Therefore, it is not a problem for SMEs to determine a key strategic location that is so important to a large company. The study found that the structural differences reflecting the number of departments, division of labor, and the number of levels increase with the increase in size (number of employees), and the speed decreases, which means that there

is a curvilinear relationship between the size of the company and the size of the company. More structural differentiation of different scales makes the initial structural differentiation rapidly increase with the increase of scale, which means that for emerging small and medium-sized enterprises, positions, functions and levels continue to increase rapidly, and the company structure. The failure to achieve stability means that the ability to determine a strategic position has declined. Second, according to the common problems faced by the company, certain functions have become critical at some point in the SME's organizational life, such as dominant problem. Third, the decision-making of small and medium-sized enterprises is becoming more and more concentrated, and the human resource functions of these companies are established relatively late, leaving little time and resources for determining strategic positioning. Managers may focus on starting and running the business, managing production, marketing, sales and cash flow, responding to customer needs, and focusing on using existing resources more efficiently. Another important conceptual issue of talent management in large companies is the degree of participation of recognized talents. The exclusive approach assumes that the recruitment of high-potential talents contributes to organizational performance in different ways and is therefore worth investing in development, while the inclusive approach assumes that all employees can potentially contribute to a competitive advantage and everyone should be developed. The core of the former approach is the firm belief that talents must be identified, developed, and deployed in key roles that are critical to the company's competitive advantage. Multinational companies generally adopt exclusive TM methods, but research shows that SMEs adopt a more inclusive approach and tend to focus their TM activities on all employees, while multinational companies have the opposite, whose development opportunities are limited to having high-potential employees (Krishnan and Scullion, 2017). The German medium-sized companies surveyed pursue an inclusive approach and focus their TM relationship activities on all employees. In their study of Spanish medium-sized companies, the researchers presented evidence of comprehensive and exclusive methods for TM, each method reflecting a specific organizational structure. The unique approach is based on the concept of talent differentiation and suggests that investing in employees with unique and valuable skills and high potential will create higher returns rather than investing on employees with less skills and potential. However, there are some

criticisms of exclusive methods. The lack of objectivity in evaluating performance and potential highlights the potential risks of exclusive methods. Show that the method of exclusivity will also destroy the informal work culture, which is the main attraction for the work of SME workers, it will destroy the teamwork and morale of most workers who are not recognized.

2.4. TM in SMEs & Importance of It

The talent management of SMEs is very different from the environment of large companies, so it is important to examine key conceptual issues, such as who is considered the “talent” of SMEs and what is highlighted in the selection. The literature on large companies highlights the ambiguity of the term. Some authors hardly define the meaning of talent, others define it as unique characteristic of people, and others define it by subject: all or part of it. Object-oriented approach to identify talents that need to be classified by individuals or other mainly as talents can be recommended for SMEs. The actual performance of small, medium and large companies may vary. Although profitability-based indicators are more commonly used than performance indicators for large companies, growth is usually an important performance indicator for small companies. Due to product innovation and lack of innovation management skills, growth targets are limited. For small businesses, equally important is the speed at which new employees absorb, acquire skills and learn how to effectively solve problems together. In a small organization, everyone must make an effective contribution to the organization. Therefore, it can be considered that the relationship between management quality and business performance of SMEs may be stronger than that of large companies. Small and medium-sized enterprises pay special attention to the selection of employees. As mentioned above, due to the dual constraints of resources and legal factors, SMEs tend to choose the person who brings the most value to the organization. Studying the selection decision-making process is an important factor. When determining which characteristics are important to talents in the context of SMEs, employee selection research has traditionally focused on assessing the correspondence between job requirements and job characteristics of candidates in terms of knowledge, skills, and abilities. Job requirements can provide higher returns in terms of performance, results, and drilling. However, researchers have also studied the correspondence between organizational culture and employee goals, values, and goals,

hoping that people who conform to broader organizational ethics can perform their functions and effectively contribute to their roles. organization. These are called person-to-job fit and person-to-organization fit. The degree of attention to performance and potential is also a major challenge for talent management research. It is found that both types of adjustments are related to positive attitudes and behaviors, such as satisfaction, participation, civic behavior, and productivity. Workers' personal characteristics are the main issue in assessing wage adequacy. Small companies are more important than large companies when selecting workers. The employees of SMEs are selected based on their fit with the corporate culture. On the other hand, some people think that human capital attributes such as education, experience, and skills are key resources for small businesses. Technical skills and professional ethics are becoming more and more important in the selection process of successful small manufacturing companies. Although priority will be given in the early stages of development, as the business grows, more attention may be paid to the skills and abilities of applicants. These studies show different views on the importance of the selection process for SMEs. Assuming that there are different forms of adaptation at different stages of an enterprise's life, the organization will constantly change to respond to dynamic environmental conditions. Effective human resource management is essential to the survival of small businesses. Researchers have found that as the company grows and develops, the ability of employees to expand the roles while taking on higher roles is an important aspect of the development of small businesses (Krishnan and Scullion, 2017).

SMEs play vital role in world economy. For example, over 99% of all the companies in OECD and G20 fall under SME category, SME generates between 55% and 75% of the value added in most OECD countries (OECD, 2015). Due to their unique characteristics, SMEs may face unique TM challenges, such as fewer resources, less personnel, and centralized leadership styles. These factors make it more difficult for SMEs to attract and holding talent. The organization is challenged when the growing demand for talent in a situation where demographic changes lead to increased supply shortages, making talent management much more important for companies including SMEs. As a result, competition for talent has intensified, and recruiting and retaining qualified staffs has become a major challenge for many SMEs today. In an environment of global competition,

SMEs are facing more pressing challenges in attracting scarce resources- Talent; because the international job resources and support provided by multinational companies are much less for SME. Although human resource practices are important factor in the success of small businesses, the lack of human resource management resources and formal methods for SMEs creates additional human resource management difficulties and challenges, especially talents (Festing, Harsch, Schäfer and Scullion, 2017).

2.5. TM in Small, Medium & Large Organizations

2.5.1. Small vs Medium

There have been few empirical or conceptual studies on TM of SME, and even few on MSO (Medium-Sized Organization) as well. For this reason, this section looks at human resource management in the general literature on SMEs to highlight contributions and gaps that may be particularly relevant to SME research and TM of MSO. When looking at general HRM literature rather than specific TM literature, most HRM research focuses on large multinational companies. The difference in human resources for SMEs is that, compared with larger and more complex organizations, they are responsible for smaller scales, fewer resources, and more severe challenges. In addition, they tend to try to apply human resource management concepts and methods developed by large companies because there is no evidence that these models are applicable to small and medium-sized enterprises. In this section, the three characteristics of human resource management in SME is discussed that should help to check the TM of small and medium-sized enterprises in general. First, conceptually understand the similarities of SMEs in human resource management. Recent articles, challenge the original hypothesis of high heterogeneity, and by proposing that the homogeneity between SMEs can be determined by external factors such as industrial sector and technological foundation. To limit it, a high degree of informality is considered to be one of the most common characteristics of human resource management in SMEs and has been identified as a potential competitive advantage for SMEs. Finally, another characteristic of the personnel management of SMEs is that the organization management is embodied in the form of individuals and society. Known as the "all-powerful proprietor". In fact, the values and beliefs of SME owner and managers permeate most aspects of the organization's operations, especially their strategic approach and their vision of how to conduct human resource management. Although in SMEs, just

like in large multinational companies, little is known about HRM, but MSO knows even more about HRM. However, MSO provides jobs for 17% of the workforce in Europe. In Spain, nearly 20% of employees also work at MSO. Also of interest is the employment relationship of large and medium-sized companies (33% vs. 17% in Europe and 25% vs. 20% in Spain), which highlights the continued neglect of academic research by medium-sized companies (Valverde, Scullion and Ryan, 2013). It is necessary to pay attention to large multinational companies, so there is a special interest in genetically modified organisms for a variety of reasons. Secondly, they are interesting from an HRM perspective, because medium-sized companies are not even suitable for the above-mentioned "informal" methods, which are led by owners and managers and HRM for small companies (less than 50 employees) or structured and complex method of large companies (250 or more employees). In addition, the structure of human resources functions is also typical for medium-sized companies. The average company in Spain has 98 employees [100 in the European Union (EU)]. At this scale, the company began to consider setting up a dedicated HR role because HR issues became too complicated for owner manager to handle in person. However, at the same time, their limited size may preclude formal TM practices, such as advanced planning or promotion or professional development, which are often seen as indicators of TM initiatives. However, these companies are facing increasing competitive pressure and need to use and manage their talents strategically to succeed. The biggest challenge facing these companies is developing a TM mentality and make senior managers aware of their responsibility for effective management. However, there is hardly any empirical research on TM in SME and MSOs.

2.5.2. Small vs Large

The huge scale and influence of TM practices in multinational corporations (MNC), to some extent, it can be expected that the existing literature and theoretical development of TM will be oriented towards multinational corporations rather than oriented towards SMEs. However, SMEs are a very important aspect of the world economy and deserve attention for several reasons. In 2010, a survey of 132 countries found that there were 125 million small, medium and micro enterprises, of which 89 million were located in developing markets. Not surprisingly, certain aspects of SMEs have led to study in a wide range of research areas, such as: SME growth models, leadership styles, business cycles,

behaviors and attitudes. Even in the early stages of SME research, people misunderstood that SMEs are just a small version of large companies. The difference in management structure between small and large companies is so notable in many respects that it is difficult to recognize that these 2 species belong to the same genus. Define of caterpillars and butterflies cannot be the same. It is found that SMEs have differences from their larger counterparts, which indicates that the pressure and uncertainty faced by SMEs are often very different from those of MNCs. Several researchers believe that small businesses face many unique challenges and problems that are not applicable to their multinational counterparts such as lack of economic resources- the most notable one. By paying more attention to the internal processes of SMEs, professionals made the following recommendations: The management process of small businesses is unique; modern theory is based on empirical analysis of large-scale organization management. No matter how mature these principles are, they cannot be directly applied to small businesses. Although common skills should be obvious in many organizations, putting these skills in context to meet the needs of small business operating environments is fair enough. In view of these differences, it can be said that the human resource practices of multinational companies cannot be implemented and automatically transfer to SMEs' TM; they need innovative leadership responses and distinctive TM strategies to cope with the growing market (Stokes et al., 2015).

2.5.3. Medium vs Large

Companies with 50- 249 employees are referred as Medium-Sized organizations in Slovenia, while organizations with more than 250 employees are large organizations. These companies are also different in economic and structural characteristics as well as number of staffs, which is reflected in the TM process. Most research focuses on large Multinational companies, and the ideology of this environment are often passed on to Medium-Sized companies uncritically. It is important to identify key positions that change with the development of the organization, while also identifying key personnel who are efficient, flexible, and who can play different roles in organizational growth. Due to a lot of unpredictability, organizations need to maintain a certain degree of flexibility to offset the factors that make planning and system staffing difficult. Medium-sized companies also have a higher degree of informality, usually associated with more personal leadership

styles, so TM practices are usually carried out on a more unpredictable, random and intuitive level. The human resources department also depends on the size of the company, in medium-sized companies it is usually small, and individual employees work in multiple fields, sometimes playing an operational rather than strategic role. The average number of staffs in Medium-Sized companies is 100 (according to EU), and companies of this size are also considering the introduction of HR professionals there. Research shows that large companies have a dedicated focus (identifying and managing a small number of high-potential/key employees), while medium-sized companies tend to adopt an integrated approach. Among them, TM activities are for all the employees. A German study showed that 54% of SMEs included all employees in the TM process, 29% used technical experts as the most vital group, and 10% used their activities directly on experienced managers along with board of directors and 8% to highly potential employees (Boštjančič and Slana, 2018).

2.6. TM Practice in SMEs (China, Spain, Poland and Bangladesh)

This part of Literature will show similarities and dissimilarities and current scenario of SMEs, TM practice of SMEs around the world. It will also focus on how SMEs are contributing undeniably to national and international business.

Scenario 1: China

Managers and owners of small and medium enterprises in China's service industry have different views and opinions on talents. For example, some professionals of SMEs think that talents will bring enthusiasm and creativity to the work and rich work experience. Another one said that when it comes to the insurance industry, talents are constantly full of enthusiasm and creativity for work, and they have more and more work experience. Similarly, the administrative manager of one of the SMEs stated that talents are those who have creativity and enthusiasm in the professional field and fully achieve their work goals to increase the value of the company by doing his/ her bets. Furthermore, personnel said that talents are those who can perfect their work and some respondents said that all employees are considered talented if they achieve their job-goals. For instance, a marketing manager said that all employees are visible as talents, if they participate in the company and loyal to the company. This view reflects the universalist and selective methods of TM.

Several other managers also expressed similar views. The head of the administrative department of an SME said that we think all the employees are talents, at least they thought so, otherwise there is no point of hiring them. Other executives refer to key employees as talents their definition of talent is based on the classification of employees. As the hiring manager pointed out, employees are generally divided into two categories: engineers and support staff. The engineers are mainly technicians, and the support personnel mainly come from the human resources, maintenance and finance departments assisting the engineers. Due to the intensive nature of these small and medium-sized enterprises engaged in ICT and business intelligence, executives treat all employees as talents (Cui, Khan and Tarba, 2016). This may also be the result of the nature of the service industry, forcing managers to adopt an inclusive approach- a universal talent identification and management method. It has been found that employee abilities are the most important resource of knowledge-intensive companies. The marketing manager of another SME stated the same view that the most important people are technicians and managers, when their key employees retire, the company will incur additional costs for recruiting and training new employees. This can have a huge business impact. The results also show that some companies identify talents based on job descriptions such as few organizations identified talents in the process of coordinating work requirements and employee performance; when employees meet or exceed job requirements or meet the expected standards of the position, the company begins to treat them as talents, the people who can make value for the company are talents. One of the vice presidents said that it is impossible to treat every employee as a talent, they must show overwhelming performance and potential. Only such talents can be called talents and nurturing them is TM. These views indicate excellence and potential are mandatory attributes of TM. Literatures indicate that STM has conceptualization problems and it is difficult to determine who is in the organization is qualified to become a talent.

Scenario 2: Spain

According to the researchers, companies are practicing TM in Spain without even knowing the formal terms. Managers have clearly defined the meaning of talent in their company and who the talent is, although they often call it otherwise. The companies surveyed lacked understanding of the terminology and rhetoric of TM. The manager's description of perceived talent emphasizes productivity and interpersonal relationships. This result

contradicts the general TM literature focusing on identifying high potential, but instead reflects the classification of loyalty and commitment as key strategic resources. Similarly, in the other analyzed cases, executives/owners are regarded as a core part of the company's talent pool, which emphasizes the importance of leadership skills as a prerequisite for TM success. Regarding specific talent management guidelines, the companies surveyed have almost no evidence of participating in the process. For these companies, attracting talent is not a problem which is contrary to the existing literature that suggests that SMEs may be more difficult to recruit than large companies. This may be the result because the companies in the sample did not identify talents from the beginning when recruiting and selecting employees, but instead identified talents according to their work in the company, and managers can observe their work in a specific organizational environment. Reliance on the domestic labor market is characteristic of Spanish organizations, the retention guidelines are not too clarified. However, there is no doubt that TM is involved in these companies. However, when it comes to succession planning, all companies clearly identify the positions that are critical to continued success and the people who will hold these positions when key employees leave the company. With varying degrees of formalization in each company, it has always been one of the priorities of the owners and managers of the company under investigation. This focus on talents to fill key positions, both now and in the future. Different methods of TM were found by researchers, however, none of them are the best, but each of them can be more meaningful in a distinctive business environment. Some of the companies manage talented people differently from those who are considered untalented (Valverde, Scullion and Ryan, 2013) .

Scenario 3: Poland

There is a positive causal link between HRM and performance in Poland according to the researchers. In addition, they believe that this connection may be stronger for SMEs than big companies. Vlahos believes that human resource practice is related to sales, productivity, and market share growth. It also supports the positive link between human resource management practices and SME performance. Therefore, it can be said that the potential of SMEs to obtain competitive and sustainable benefits depends on the quality of human resource processes. Human capital that can be characterized by the attributes of-valuable, rare, unique, and irreplaceable. Firstly, most of the companies use different and

unique human resource models as their business models and their working environment is different. Secondly, small and medium-sized companies have limited resources, which leads to the optimization or even reduction of human resource processes. Third- implementing human resource practices in large companies may require organizational changes that many people consider to be too costly for Small and medium enterprises. Finally, solutions developed by large companies are not applicable for SME because these organizations do not have human resources departments. SMEs use standard human resource processes for recruitment, evaluation, training, and compensation; however, they are organized in different ways. These processes are mainly executed by managers and owners who are unwilling to execute the HR processes due to lack of skills. They are experts in the company's main business areas, but often suffer from management defects. Though scholars have been studying TM for thirty years, their research has mainly focused on large companies and did not consider the characteristics of SME. Because of using various HR approaches, SMEs can implement a TM process that is very different from the TM process used by big companies. It will be difficult or impossible to replicate the developed models therefore, drawing the TM model in SME needs to include an ecological environment including internal and external factors. In addition, the TM method in SMEs can depend on the country's specific cultural background. The importance of certain resources in evolving stages may change, which means the proportion of human capital investment may vary. In addition, SME owners do not understand the concept of TM though the actions they take can be considered as part of the TM plan. Based on the research some general conclusions about TM methods for SMEs in Poland are- the definition of talent emphasizes more on performance rather than potential, employees who are identified as talents can hold management or standard positions, the key characteristics of talents are not only related to knowledge and skills, but also It is related to the relationship of showing personal loyalty to the company, both inclusiveness and exclusive approaches are applied of talents, talented and unskilled employees use the same human resource system, but in terms of training volume, decision-making and information there may be some differences and talents are regarded as successors. This conclusion confirms that the TM approach of SMEs may be different and that there are significant difficulties in developing a consistent model to describe the actions taken in such organizations. A research on German medium-

sized company, identified three groups related to the TM method of SMEs: “Highly engaged TM” refers to companies that always use different TM methods; “Reactive TM” refers to the focus on labor planning and training and retention for the companies with little investment and “Retention Based TM” identifies companies that focus on learning, development, succession, and career planning to prevent high employee turnover (Pauli and Poczowski, 2019). To conclude, talents in a SME can be defined more broadly than employees in managerial or non-management positions, and who achieve excellent results, have high potential, demonstrate willingness to develop and to take responsibility for tasks and role performance with appropriate abilities, including knowledge, skills, attitude. In addition, it is believed that the ability of talents must be suitable for the work environment, which is directly related to the environmentally sensitive competency framework.

Scenario 4: Bangladesh

Due to lack of research work on TM practice of SMEs in Bangladesh, this part will focus on current condition, achievement and contribution of SMEs to this country. In the year 2003, the International Consultancy Group of the UK (ICG), in collaboration with the Micro Industries Development Assistance and Services (MIDAS), performed the National Private Sector Survey of Enterprises in Bangladesh. The outcomes drew the belief that there have been about 6 million SMEs in Bangladesh, which included businesses with not more than 100 employees, in total 31 million people which is equal to 40% of all the population over or same age of 15. The survey additionally located that the economic shape of SMEs consisted of usually wholesale and retail business and repairs (40%), manufacturing and sale of agricultural products (22%), services (15%), and only production (14%), the survey added out the reality that the big untouched potential for growth in manufacturing can be exploited for greater extensively contribution to national economy. Furthermore, a crucial finding that SMEs made BDT 741(\$ 12.5)billion approximately which is almost 25% of the GDP (BDT 2,996 billion) in that year. It is contemplated that SMEs are employing 2- 5 people making contributions to 51% of the whole SME, 26% are having one employee and 10% are having 6-10 people. For Least Developed Countries such as Bangladesh, SMEs are badly cost effective for business development. Micro businesses run via up to ten people making contributions to 86% of the whole contribution from SMEs to GDP of Bangladesh and having more than 21 staffs

Micro Businesses contribute approximately 7%. Survey also showed that manufacturing sectors contributes the best- 38% of the whole GDP, agriculture and wholesale and retail make over 22% percentage. In 2001-2002 to 2004-2005 in each economic year, the growth of SME was approximately 7%, in 2005-2006 it become 9.21% and the maximum was in 2006-2007 - about 10.28%. Another outcome of the survey was growth of manufacturing sector in SMEs. From 1972 to 2005, it was 6.4%, however, in 2001-2002 to 2006-2007 the best rate was in 2006-07- 11.19%. Moreover, from 2002-2003 to 2005-2006 in each financial year, the growth rate of manufacturing sector was over 6% (Ahmed and Chowdhury, 2009).

A portion of the Chinese hierarchies support alike Spanish employers that only outperformers should be referred as talents, it is not possible to treat everyone same. However, Polish hierarchies have a blended review on TM that if every employees need to be addressed as talents or only the exclusive ones. On the contrary, in most of the SMEs of Bangladesh, concept of TM is still new. Moreover, lack of strategic organizational design and organizational practices make key differences with other developing or developed nations. Nevertheless, one factor is common in all the countries- contribution of SMEs in national economy. SMEs in Bangladesh are widely contributing to reduce unemployment and generating revenue of millions of dollars, which is similar case in all the countries. In addition to, certain common challenges of SMEs can be seen in most of the nations like scarcity of resources and financial support, high employee turnover rate and so on.

Chapter 3: Methodology

The project is an exploratory research on TM in SMEs. An exploratory study refers to a valuable means of finding out what is happening; to seek new insights; to ask questions and to assess phenomena in a new light. There are three principal ways of conducting exploratory research: a search of the literature; interviewing ‘experts’ in the subject; conducting focus group interviews.

Data was collected from both Primary and Secondary Resources. Primary data was collected through Questionnaires (a general term to include all techniques of data collection in which each person is asked to respond to the same set of questions in a predetermined order) and Interview (a purposeful discussion between two or more people that can help to gather valid and reliable data that are relevant to research questions and objectives.).

Secondary data refers to reanalyzing data that have already been collected for some other purpose. It can be a combination of both raw data and published summaries. Secondary data include both quantitative and qualitative data. Qualitative Data was used to complete the project. Qualitative data indicates to all non-numeric data or data that have not been quantified and can be a product of all research strategies. It can range from a short list of responses to open-ended questions in an online questionnaire to more complex data such as transcripts of in-depth interviews or entire policy documents. To be useful these data need to be analyzed and the meaning needs to be understood.

The data was analyzed with Inductive Approach (to start to collect data and then explore them to see which themes or issues to follow up and concentrate on). This is also referred to as a grounded approach because of the nature of the theory or explanation that emerges as a result of the research process (Saunders, Lewis and Thornhill, 2009).

Chapter 4: Data Findings, Analysis & Interpretation

4.1. Company Background

GTR is a pioneer in automation technology and software development, specializing in providing services to realize core business technologies for business development consultancies, industrial systems and IT solutions. Founded in 2005, it provided compliant software system for a growing market. In recent years, the company has provided corporate customers with a wide range of video surveillance, access control, time and wage systems and CAD/CAM solutions. They are committed to help customers to meet their needs for end-to-end solutions by providing distributors and end users with an ever-expanding range of products and services. It has track record of giving complex technical solutions on time through a knowledgeable and intelligent development team for most manufacturing and trade service markets. It is one of the first companies to recognize the unique needs of the apparel industry and equip it with powerful and reasonably priced CAD software. GT's CAD solutions are designed to reduce the ever-increasing production load and provide business owners with the flexibility to operate their factories more effectively (About Us – GTRBD, 2020).

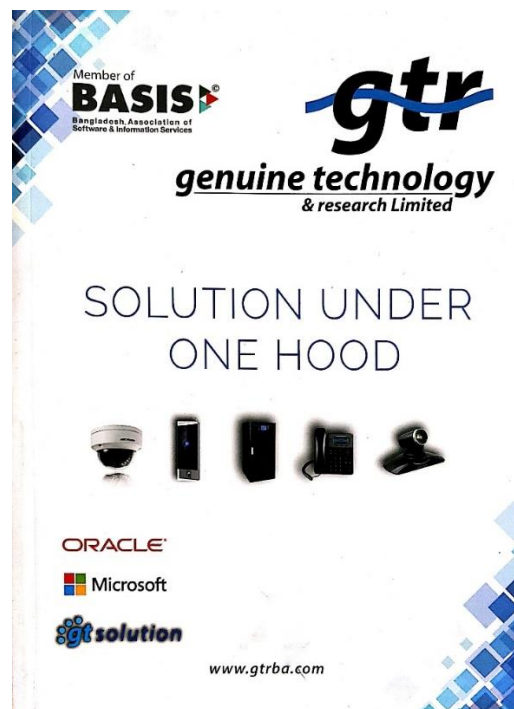


Figure 1: Brochure of GTR



Figure 2: Brochure of GTR

GTR's mission is to provide the best and modern security solutions, systems and services; their motto is "Your Security, Our Concern" is what they believe. With more than 900 clients, 10 technology partners like Oracle, Microsoft and being member of Bangladesh Association of Software & Information Services (BASIS), they provide services such as CAD, CAM, SPREADER, CCTV, Attendance-Payroll-HR Management Software, Biometric Solution, Inventory, Accounting and Enterprise Software, Website Design & Development, UL Listed Fire Detection & Protection System, Power Backup Solution, IP and Network based Solutions. They are self-acclaimed "Best HRMS solution provider in Bangladesh". GTR currently has 3 branches situated in Dhaka, Comilla and Chittagong (Head Office) and has manpower of 70 people, where approximately 40 persons work in Dhaka office. Because of being a technology and IT based firm, GTR faced comparatively less monetary and non-monetary loss during the Pandemic unlike companies from other sectors such as Hotel, Tourism and so on.

On the other hand, A.N. Leopad Overseas Ltd is one of the manpower recruiting companies in Bangladesh (holding License No- 1034), known for its professional and excellence service. The agency's motto is – "To provide the right people, with the right

skills, at the right time.” A.N. Leopad Overseas Ltd is actively providing recruitment, training and consultancy services to clients and customers around the world since 2008. Over last 2 decades, they have provided more than 3000 manpower for various companies from different field such as construction, oil companies, garments and clothing, restaurants, shopping mall in several countries like Malaysia, KSA, Qatar, Dubai, Bahrain, Mauritius etc. “Our staffs here are well qualified and trained in their field, we feel proud for being reliable”- said the Chairman. According to the MD- “Clients are the biggest priority to us and we make sure never let them down no matter what.

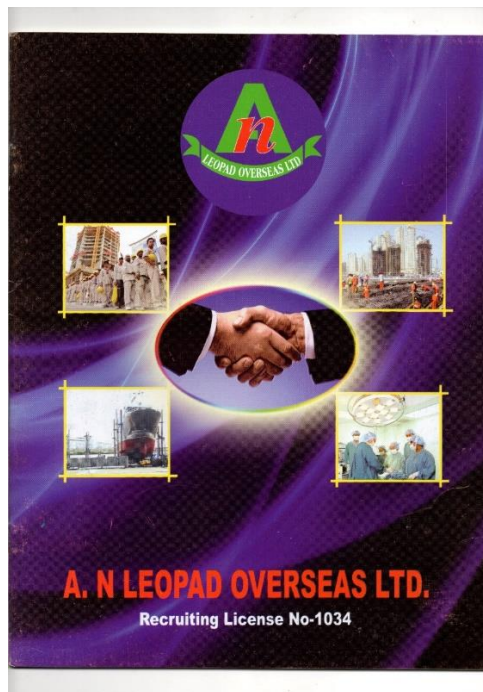


Figure 3: Brochure of Leopad

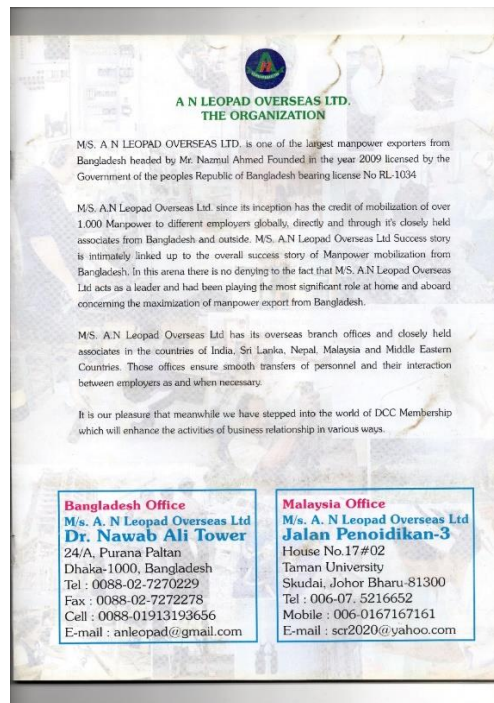


Figure 4: Brochure of Leopard

Located at Paltan in Dhaka, Leopard surely does have the need of specific Organizational Structure and culture, which seems they are lacking in. Apparently, only 2 employees currently working there, however, they have 6 sub-agents associated with them. Both of the employees continuously doing the job provided by the owners and stakeholders which mainly comprises of general administrative work, tele-marketing, conducting assigned works regarding VISA processing-Manpower and Ticket processing, dealing with interested candidates and so on. There is notable employee turnover rate as their business is highly unstable due to many external factors such as diplomatic relations of other countries with Bangladesh, business politics in associations, COVID and so on (A.N. Leopard Overseas Ltd. – Work Beyond Borders, 2020).

4.2. Survey & Interview Questions

Researcher of this project selected and used questionnaires for conducting an online survey and interviews over Phone to gather data. The link of the survey and the interview questions are given below. All the survey and interview questions would be attached in Appendix.

4.3. Analysis & Interpretation

Data Analysis refers to the procedure of systematically applying logical or statistical or both techniques to explain and illustrate, condense and recap, and evaluate data; it is providing a way of drawing inductive inferences from the data and separating the contents of interest from statistical fluctuations in data (Data Analysis, 2021).

In order to collect information, researcher was able to collect data from the participators of the two organizations who are currently designated as- admin, admin & marketing executive, marketing executive, finance executive, executives and assistant manager. Average working period of the interviewees were 6-7 months, however, 2 participators working period was 1 year and 1 and half year. Apart from the online survey, interviews were conducted to gather detailed information and appropriate explanations from the Executive of HR, GTR and Admin of Leopad. Statistical illustrations of all the data are attached and used often in this section of the project.

Name of the Organization:

7 responses

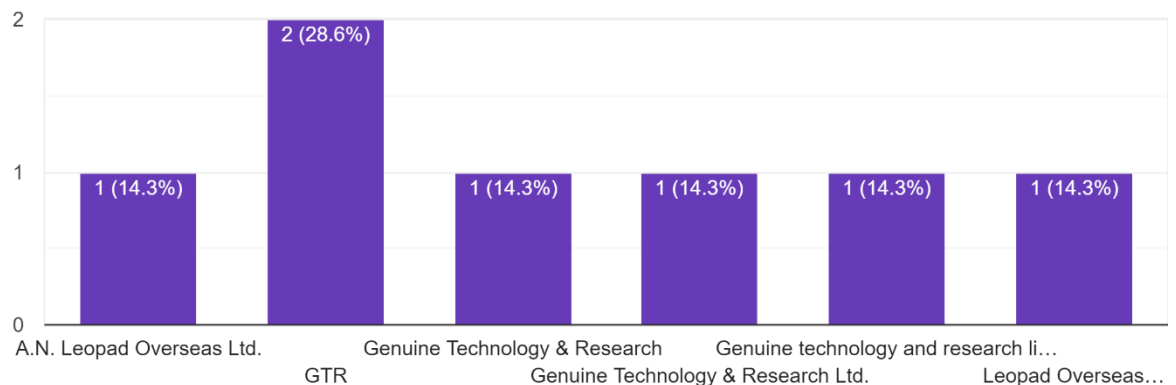


Figure 5: Company Background

Designation:

7 responses



Figure 6: Respondents' designations

Working Period:

7 responses

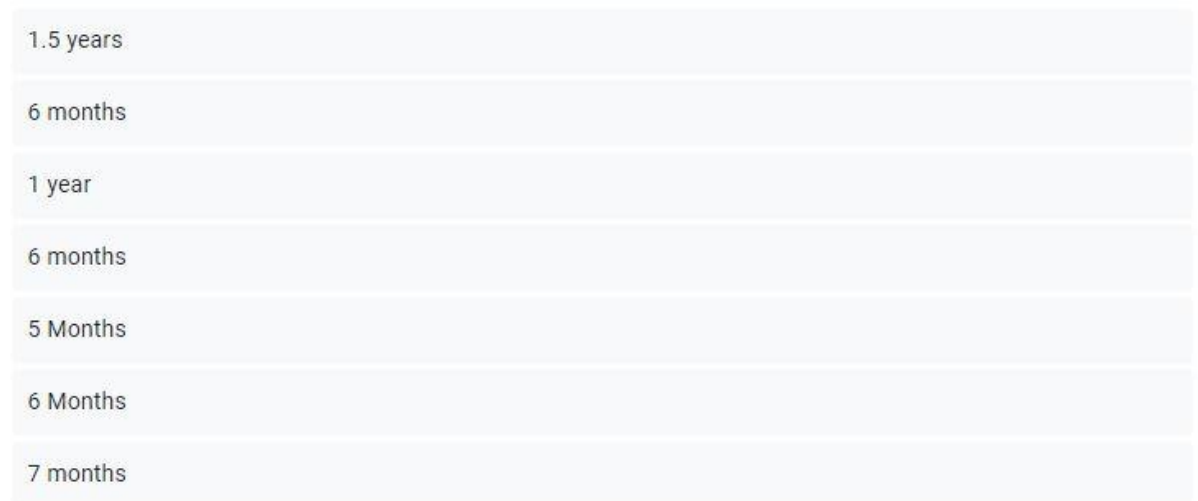


Figure 7: Working Period of the respondents

71.4% of the interviewees said that they have TM Policy in their organization, which is GTR and 28.6% said they have not- from Leopad. However, all the participators agreed upon one factor that there should be TM policy and practice in such SMEs like Large organizations. Participators from GTR said that the organization has 1 TM policy for all

the departments and according to their knowledge the procedures includes- R&S, T&D, PA, Retention Management and Succession.

1. Do you have a TM policy in your organization ?

7 responses

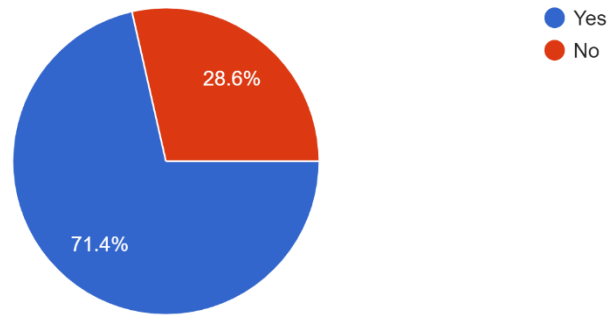


Figure 8: TM Policy in the organizations

2. If yes, what are the major procedures/ strategies of the policy?

5 responses

Recruitment, Selection ,T& D, PA,Retention,Succession Plannning

PM,T&D, R&S

R&S, T&D, PA, Retention, Succession planing

Recruit, training, PA

Figure 9: TM strategies

3. If no, do you feel the necessity of TM in your organization?

4 responses

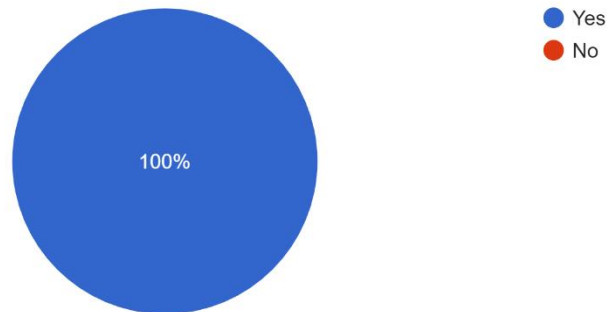


Figure 10: Necessity of TM

4. Do you have one (1) TM policy for all the departments?

7 responses

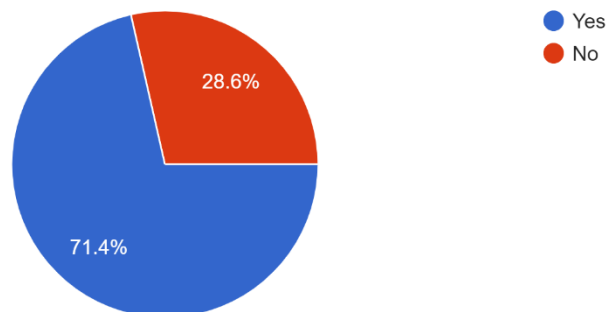


Figure 11: Type of TM policy

Data on Planning, Recruitment & Selection (R&S), Training and Development (T&D), Performance Appraisal (PA), Retention and Succession Planning was collected to complete the project. Detailed theoretical and practical analysis and interpretation of collected data is provided below.

4.3.1. Planning

Planning is the beginning of any effective operation. Here, Human Resource Planning (HRP) is the first and foremost step of TM in any organization, especially for SMEs as for

large companies often have specified planning even for TM. HRP is a process through which any organization make sure that the right number and type of people can effectively and efficiently perform tasks that help the organization achieve its overall goals at the right time and at the right place. Scholars referred HRP as the procedure by which a company must move from its current personnel position to its required personnel position it can bring maximum long-term benefits to the organization and individuals. It is a comprehensive method by which employees perform the necessary tasks and responsibilities to achieve organizational goals and HRP meets the individual needs and goals as well. Undoubtedly, HRP play the most vital role in the operation of an organization. Human Resources refer to the potential, abilities and skills that can be developed through ongoing interaction in the organizational environment. Researchers identified several fundamental steps of HRP which would be explained briefly below.

Determine the goals of HRP:

The most important step in any process is to set goals for what the process should be. The purpose of planning needs to be clearly formulated to ensure that enough people are selected for the right type of work. The goals of different departments of the organization may be different. For example, the personnel requirements of the marketing, finance, production or HR departments may vary depending on their roles or functions.

Current labor supply analysis:

The following step is to analyze the current labor supply based on the stored information about the employees' experience, abilities and skills, which is necessary to complete the work. Similarly, future vacancies in personnel planning can be assessed from internal sources (existing employees) and external sources (recruiting candidates from outside). Therefore, it is necessary to ensure that the talent pool can be used to participate in vacant positions in the near future.

Human Resource Supply and Demand Forecast:

After analyzing talent supply; the next step is to compare future labor demand with the supply or resources available to the organization. Here, the skills required by the employee for the position are combined with the job description and specification.

Labor Shortage Analysis:

After forecasting supply and demand, it is easy to estimate labor shortages, if the demand exceeds supply, it means that there will be a bottleneck, so new candidates will be accepted. On the other hand, when demand is less than supply, excess human resources will cause workers to be laid off, retirement, retrenchment, transfers, etc.

Employment or action plan:

An action plan must be appropriately formulated when recruiting cadres. If there is a deficit, the company can choose plans for recruitment, training, and cross-departmental transfer; if there is a surplus, it can choose plans for voluntary retirement, reallocation, transfer, and layoffs.

Education and Training:

Training is not only for new employees, but also for existing employees who need to upgrade their skills from time to time. According to the employment plan, training programs should be launched to train new and old employees with the skills needed to complete their work.

Labor planning evaluation:

Finally, the effectiveness of the planning process needs to be evaluated, and the labor plan is compared with its actual implementation to make sure the availability of staff in different roles. At this stage, the company must determine the success of the plan and eliminate any shortcomings (What is Human Resource Planning Process? Business Jargons, 2021).

There is no structured TM or strategic HR Department or practice in Leopad, that is why according to the admin of Leopad, there is no HRP or planning for TM in the organization. However, Executive of HR in GTR explained their complicated planning of HR, especially TM in short and clear way- the company looks for the answers of the questions and act according to that such as why the position or manpower is needed, do the position and the required manpower serves the objective of the organization, how the manpower or the talent will be attracted and selected, how to nurture the talent and deploy the talent in welfare of the company, how to measure the effectiveness of the talent, how to retain or

get rid of the manpower depending on if he/ she brings good for the company or not and in the end to find the manpower for pivotal/ hierarchical positions.

4.3.2. Recruitment & Selection

Before discussing about recruitment and selection (R&S), some pre-requirements need to be discussed. Identifying key talent roles should be the first step in any strategic TM system. The TM literature focuses on identifying "A Performer" and emphasizing their retention and development, it can influence sustainable competitive advantage in different ways (Collings and Mellahi, 2009). To ensure that talents are interested in joining the company and using different strategies to attract qualified employees are major concerns of TM. The acquisition of talents mainly depends on several factors such as the reputation of the organization. Talent acquisition includes recruitment and selection of employees, employer brand, employee value proposition, and employer selection. Companies that can attract right talent with right skills become more successful, so they need to focus on continuously attracting appropriate talent. Recruitment and selection start with the needs of new employees, job descriptions, then candidate recruitment and evaluation. The process must be non-discriminatory, equal opportunities should be provided to all interested applicants, and should not contain prejudice or be influenced by personal preferences. Although it is widely believed that hiring the best talent is a key factor in competitive advantage, companies often do not invest enough time in hiring, showing a reason to achieve other more urgent goals and time limit. The TM process includes job posting, candidates' data selection, communication and coordination with candidates, multiple rounds of interviews with different personnel, and related management tasks. The actual evaluation process usually includes evaluating each candidate, marketing and selling the position to the talents, and finally having conclusion whether the candidate is appropriate. Since SMEs usually are in public research, large companies use various activities to arouse the interest of candidates and they can use the services of different providers to attract the attention of candidates. For example, small and medium-sized companies can expand their candidate base by appearing on various job sites such as LinkedIn or Glassdoor, which also provides an effective channel for communicating employer brands and expectations. Another service they can use is the services of companies, which search the personal information of various candidates through Internet

resources in order to find those who want to switch jobs in the near future. LinkedIn Talent Solutions is one of the providers of talent recruitment services.

Another profitable recruitment method is through employee support. An Irish company (packaging manufacturer and printing company) that uses current employee contact information to find candidates and use the local labor market. Employees hired in this way are responsible to the employee who issued the certificate (Harney and Nolan, 2014). This is an illustration of how small businesses deal with human resource issues informally. The choice of the interviewer is important in order to get the proper information about the candidate and make the right decision, rather than rejecting a good candidate. One should have interview experience and be able to create a relaxing environment for productive discussions within a reasonable time frame. In addition to human resources experts, team or department heads and employees should also be present. Generally, a more structured interview will make the evaluation process easier because candidates can be compared. It is also wise not to make a mistake in the first impression. Organizations can also create "talent pools" to fill talent gaps. It refers to the company's high-potential, high-performance employee pool that can fill key talent positions.

1. What type of recruitment is mainly followed in your organization?

7 responses

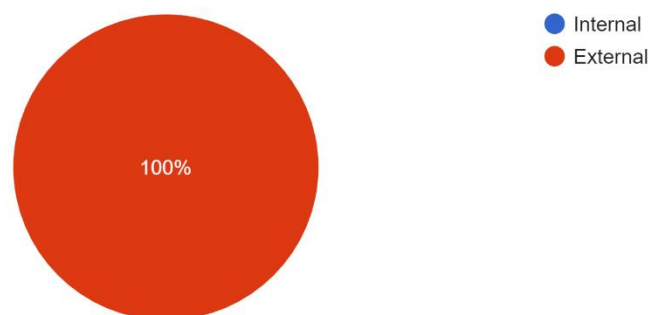


Figure 12: Types of recruitment procedure

2. Is there any “talent pipeline” in your organization?

7 responses

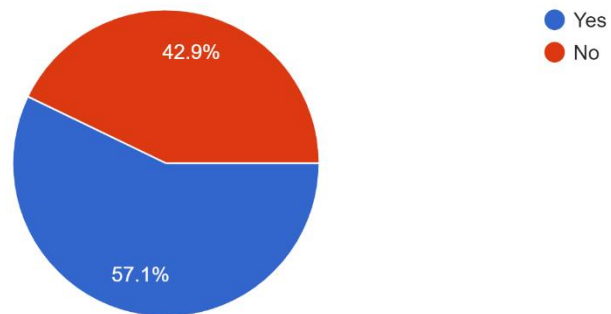


Figure 13: Talent Pipeline in the organization

3. If external, which procedure is mainly followed to source

7 responses

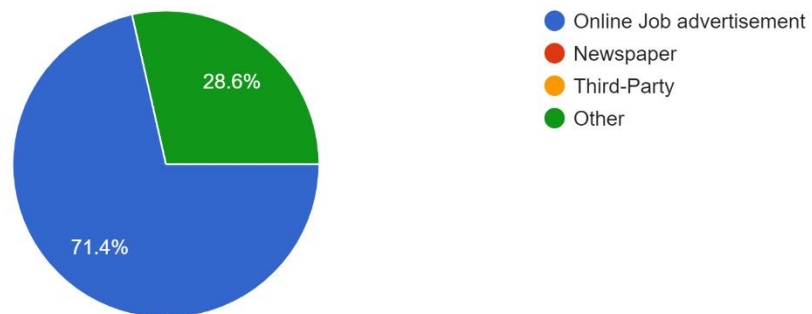


Figure 14: Sourcing procedure for candidates

4. How many stages are there in your organization's "interview" process?

7 responses

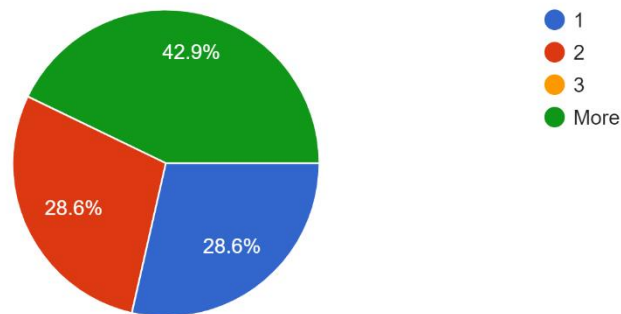


Figure 15: Phases of Interview

5. Interviewees are usually interviewed by?

7 responses

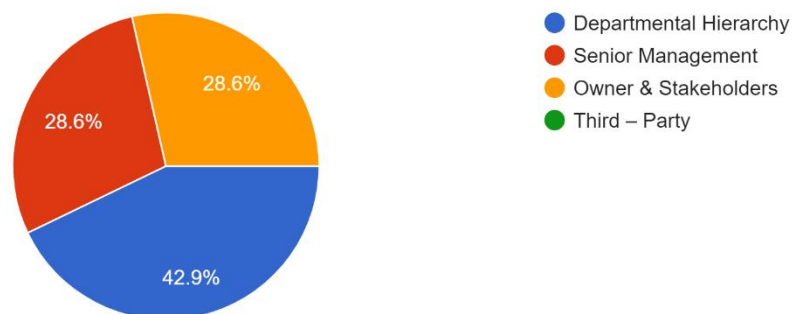


Figure 16: The Interviewers

According to the survey report, both the organizations fully depend on external recruitment. In addition to, majority of the participators said that their organization source candidates via "Online Job Advertisement", which is the most commonly used procedure in current tech-savvy world. However, 28.6% said about another way to source candidate. According to Executive of HR in GTR, during interview session, "On-Campus Recruitment" was found as additional way of recruiting in GTR. Moreover, 28.6% participator said that they faced 1 step "Interview" for joining the company, which is Leopad. On the other hand, 28.6% employees said they had to pass 2 stages of Interview and 42.9% faced more than 3 stages, in GTR. HR executive of GTR stated that Interview

for “Managerial Level” and “On-Campus Recruitment” usually have over 3 stages to get selected. 28.6% staffs said that they had been interviewed by owners of the company-Leopad, whereas, in GTR, respectively 28.6% and 42.9% said that their interviews were conducted by “Senior Management” and “Departmental Hierarchy”.

Researcher found a significant outcome of the survey. 42.9% participators said they do not have any “Talent Pipeline” in their company including both the employees of Leopad, however, 51.7% agreed that they have so. “Why there is no Internal Recruitment if Talent Pipeline exists in the company?”- a question asked by the researcher during interview session. The HR Executive of GTR responded that there is no structured Talent Pipeline in their organization, and often it is difficult for them to fill vacancies via “Internal Recruitment” because of “Talent Shortage”, apart from few temporary exceptions. On the other hand, 2 participators from Leopad had little knowledge on the terminology itself-Talent Pipeline. Which led to the conclusion that lack of knowledge about “Talent Pipeline” or presumably TM in general and “Talent Shortage”- both are present in these 2 SMEs.

4.3.3. Training & Development

In order to gain a competitive advantage in the current market conditions, employee development has a strategic advantage. Talent development is a way to improve the knowledge, skills and abilities of talents who hold key positions. Learning, education and development, employee participation, empowerment and authorization are the talent development strategies which influence employees' performance. The culture of the organization, the attitude of the senior management, and the limited ability of the organization's career development determine the nature of employee development. Usually, people with leadership skills, high-potential employees, energetic high-performance people, and key talents who stand out from others are selected to participate in a development plan that is contrary to training, which aligns them with future income. It is not about preparing for the immediate challenges to create human capital, thereby providing qualified and more productive employees with opportunities and improved intellectual capital, while increasing the company's market value. Talent promotion

increases the attractiveness of the company because talent promotion opportunities also provide non-monetary advantages, including high motivation (Ali and Guha, 2019).

Participation in further training is also related to career management. By analyzing the data, the company will suggest areas that need training to employees based on their preferences and experience. SME can use various possibilities to exchange knowledge between employees, such as online forums and Q&A or online messaging. As mentioned above, through the promotion of skills and retraining incentives, human resource experts can invite employees to participate in the joint design of training and continuing education programs. Then they shared the topics with other members of the team during the seminar. It can cultivate the company's knowledge sharing spirit and community awareness. Trends and new themes like university-campus program would be beneficial to bridge the gap between SMEs and universities in a targeted manner. From every perspective, talent development is considered as an area that deserves more attention. The company provides opportunities for challenging tasks, career opportunities and a strong learning atmosphere for every employee. They provide workers with unique online-learning experience that suits their individual learning needs and is consistent with the goal of localism. To conduct training modules to improve technical and behavioral skills, monitoring is another initiative. However, on-the-job training and experience-based development are also cost-effective way to develop talents (Hosen et al., 2018).

6. Do you have “Training & Development” policy in your organization?

7 responses

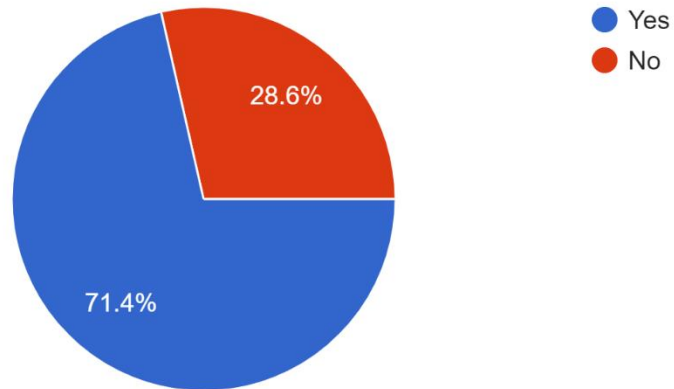


Figure 17: T&D policy in the organization

7. If yes, how much effective that is in your opinion?

2 responses

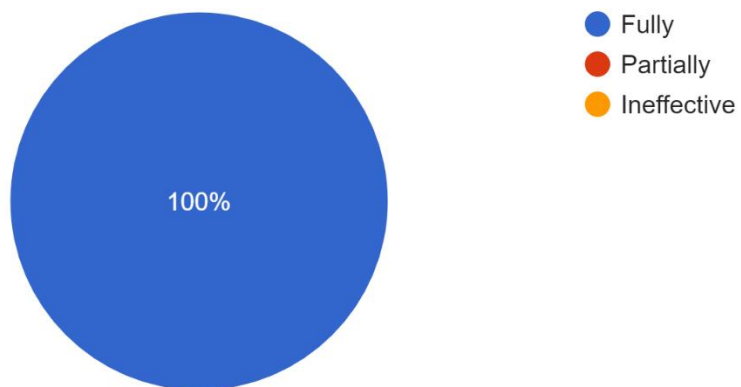
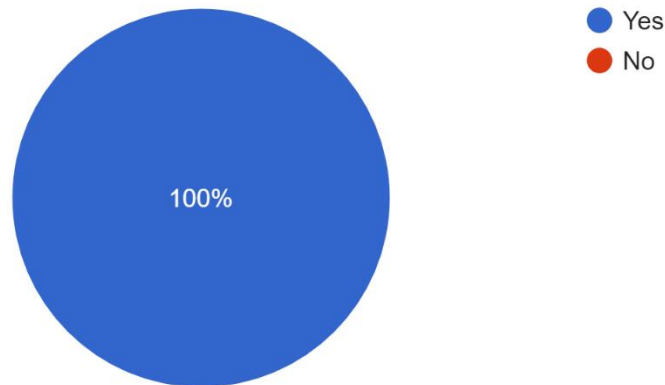


Figure 18: Effectiveness of T&D

8. If no, do you feel; the need of the policy?

7 responses

*Figure 19: Necessity of T&D*

From the pie charts above, it can be seen that 71.4% employees (from GTR) said that they have T&D policies in the organization, whereas 28.6% employees (from Leopad) did not have any structured T&D policy. However, 100% satisfaction rate was observed regarding effectiveness of T&D as well as all the participators feel the need of it. The admin of Leopad stated the necessity of strategic T&D policy and practice in the organization during the interview session. According to him, employees learn new things in the company, but not in a structured way. Owners and stakeholders keep guiding them when it is needed, however, sometimes it is difficult for them to receive the feedback and work on it as the guideline appears without filling up the prerequisites. In addition to, several times they faced critical obstacles while conducting business or dealing with clients as there was no pre-determined learning and training session or clear instruction on the task. Moreover, the company provides guideline on only which is needed for the welfare of the company, employees' personal and professional skills are not developed enough through these.

On the contrary, 2 out of 5 participators from GTR did not answer the question if the T&D policy is effective or not where all of them said there is T&D policy, which was a mystic observation and even the Executive of HR could not clarify the factor. As a result, the researcher came to a conclusion with 3 assumptions. The first one is, participators simply

did not answer the question. Secondly, the participators are not well-aware or could not reach to the decision if the training provided by the company really worked for their development or not, which seems lack of clear concept about T&D and self-evaluation to the researcher. Last but not the least, organization was not able to provide proper training or decisionmakers were unable to assign employees to the appropriate position/ work as a result the outcome was obscure to the participators.

4.3.4. Performance Appraisal

Performance Appraisal (PA), feedback with other components of performance management are designed to increase the productivity of individual employees and ultimately lead to an increase in organizational productivity (DeNisi and Murphy, 2017). Using productivity tools like Slack can help to increase productivity in daily interactions. Performance evaluation is a formal process. The performance of employees is evaluated according to a set of pre-determined criteria (usually carried out by managers), resulting in a score that is formally communicated to employees. In today's fast-paced world, annual performance feedback is not enough, and a new feedback model which would be based on short-term projects is essential. Companies such as Gap, Pfizer, Procter & Gamble, General Electric, and IBM focus on immediate team feedback throughout the year. As a result, the team can learn through iteration. A customized application was made by Johnson & Johnson where colleagues and managers can post and exchange feedback. This is an example of a ongoing feedback process. By digital revolution, PA system becoming empowered such as talent analysis-talent performance, peer performance and evaluation and employee engagement tracking provide a lot of data, and gamification is also used for performance monitoring. Small and medium enterprises can run simulations where workers can increase productivity and gather points, which can be used as information for performance analysis afterwards. When introducing employees to their performance of work, professionals emphasized the importance of providing employees with specific, timely and continuous performance review. Management can hold monthly or weekly meetings to show how to achieve the goals and the financial aspects of his/ her work. When evaluating employee performance, it is necessary to pay attention on biased evaluations. For instance, research shows that women receive more fuzzy feedback on performance and less specific suggestions, while men receive more detailed feedback, highlighting their

technical skills. The vaguer the standard is, the more biased the evaluation will be. Creating multiple standards and criteria to evaluate all employees are more consistent and fairer by collecting evidence of employee performance. Managers are also encouraged to re-check their assessments to align with the performance assessments of all employees. In terms of salary and benefits, spot-bonuses (bonuses that arrive immediately after getting off a work properly) are more popular than the classic year-end salary. Moreover, there are bonus programs for employees to participate in complex situations commonly in Patagonia, they also set a budget for the top 1%, and they receive financial rewards for qualifying work (Capeli & Tavis, 2018). They also provide personalized benefits by recording where workers affect performance and where improvements are needed.

9. Does your organization conduct performance appraisal (PA)?

7 responses

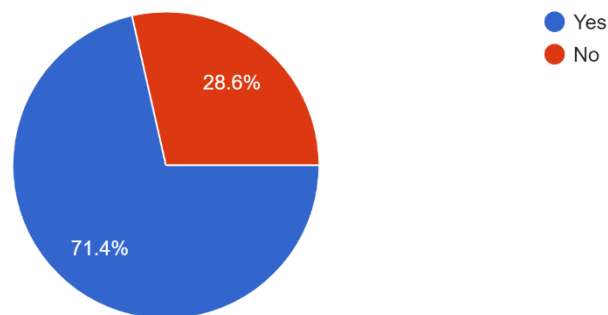


Figure 20: PA policy & practice

10. If yes, is it conducted before T&D or after T&D?

4 responses

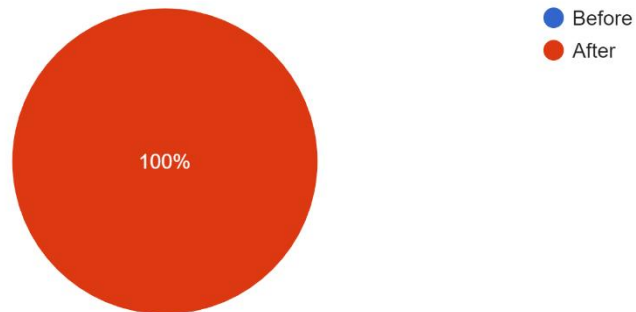


Figure 21: Conducting period of PA

11. How often it is conducted?

4 responses

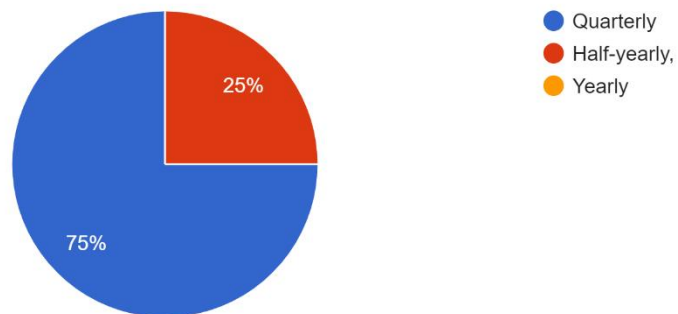


Figure 22: Consistency of PA

12. How much satisfied you are with the criteria of PA in your organization?

4 responses

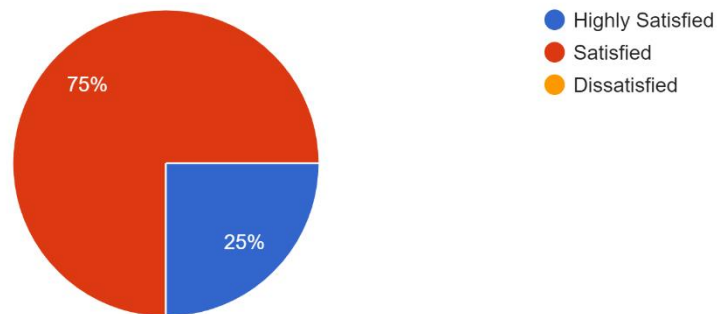


Figure 23: Effectiveness of PA

71.4% respondent said that they have PA policy and practice in their company (GTR), however, 28.6% respondent (Leopad) said they do not have any. The admin of Leopad during interview stated that apparently they do not feel the need of structured PA, as there are only 2 employees currently working here, and both of them are contractual workers. Their positions in the organization are highly unstable as the business totally depends on several external factors such as diplomatic relationships among countries, COVID and so on. That is why, not having a PA policy is not a big issue for them. On the contrary, GTR conducts PA quarterly for non-managerial posts and half-yearly for managerial posts or organization hierarchies. All the employees' PA is conducted after T&D process. During interview, the HR Executive of GTR explained the reason why they follow PA after T&D practice, according to him, one employee's KSA (knowledge, skill, ability) should not be measured before strategic training and learning as each department of every organization requires different set of KSA, that is why workers cannot be put in warzone before battle-training. In addition to, all the employees are either satisfied or highly satisfied with the PA in GTR.

Researcher thinks that absence of PA in Leopad is not a crucial problem like the admin said, organizational size and nature of business do not demand PA there. It is easy for the owners and stakeholders to nurture them continuously. However, researcher observed that several respondents of GTR did not answer the question if T&D provided by the company is effective or not, but all of them responded and agreed that PA policy and practice there

are satisfactory. Researcher assumed 2 reasons behind this phenomenon as T&D and PA are rigorously connected. First one, the PA practice in GTR is unbiased and clean, they might not face any illegal action and nepotism against them. Second assumption is, there is probably a breach in the PA practice of GTR, however, researcher did not find any clear answer from the Executive on this.

4.3.5. Retention Management

Employees are an essential resource for any company and because of their critical nature, they can be classified as the lifeblood of any organization. Technological progress has made most companies increasingly technology oriented. The value of people in the organization, as technology requires human resources to function. Due to issues such as globalization, competition in most industries is intensifying. This situation will also have an impact on the labor market because organizations need human resources to remain competitive. In order to remain competitive, companies must not only attract the best talents, but also retain them for long time and ensure how to make these talents work as long as possible and how to make them full of energy and ambitious. Employee retention refers to retaining or encouraging employees to stay in the organization for the longest time, or in other words, “the method used by companies to maintain an efficient workforce while meeting operational requirements” . It as a process of encouraging employees to stay in the company for the longest period or till the project is completed. Other professionals said that employee retention is a systematic attempt to create and develop an atmosphere that encourages employees to continue with policies and practices, that meet their diverse needs. Several strategies to retain a talent is discussed below in brief.

Development Opportunities:

Continuous development is not the only reason to stay, however, perceived career success is associated with organizational ability to keep employees in the workplace. Personal and professional development are decisive factors for loyalty and promotion opportunities, which increase the employee's commitment to perseverance. A direct link is observed between layoffs and development issues as well as development facilities and retainment. Scholars identified career and development opportunities as the main reasons for employees to leave or stay in the company, and further determined the factors affecting

career opportunities such as advancement planning, internal promotion, service and accurate career development. Researchers found that promotion has a positive effect on retention rate. Development opportunities effectively can enhance employees' commitment for staying in the company.

Compensation:

The relationship between payment and retention is the subject of many research works. Scholars are familiar with the impact of wages on retention. For some people, salary satisfaction is closely related to whether an employee decides to stay in the company or not, they have a direct impact on retention rates. In 1997, a research team found that salary increases would increase the retention capacity of the organization. However, another study suggested that organizations, especially the hotel industry in Western Australia, does not use wage and welfare policies to retain people. Transparency in wage decisions has been described as promoting loyalty. Compensation is not only a motivating factor, but also as a method of retaining employees. Some scholars specified it like this- among all types of remuneration, payment of money is the most important factor in retaining workers. Performance-related wages have been identified as factors that help retain employees. In 2006, a group of researchers found that wages help retain employees, external rewards (salary and other benefits) help increase employee loyalty. Researchers also found that salary is a predictor of employee turnover the workers are most affected by wages. They found that compensation reduced employee turnover and increased management participation. However, an important set of research work found that salary itself is not the only factor in retention, better compensation can only improve the ability to retain employees in the short term. In order to attract employees more effectively who are willing to work longer hours in the company, higher pay must go hand in hand with the quality of work and work-life balance as a long-term factor. Salary levels, notably among nurses, have little effect on employee retention..

Work-Life Balance:

Work-life balance is turning out more and more important for employees, and it often affects employees' decision to stay in the company. Today's employees strive to find flexible working hours models that enable them to reconcile their personal and professional

lives. Private and professional life depends on how much sacrifices a person is willing to make at the cost of other portion of life. Researchers found that jobs that enable employees to perform family responsibilities apparently increase retention. Some employees at first focus on their own business, and then spend more time in other areas of life, which is called a "downshifting" phenomenon. Scholars emphasized the importance of "healthy balance". Regarding the relationship between employee retention and work-life balance, it is believed that employers should adopt a "harmonious" balance to increase the retention rate; emotional support for workers through work-life balance will reduce their willingness to resign. It is proven by many researchers and professionals a direct connection between employee decisions to continue job and work life balance.

Management/Leadership:

A number of studies have shown that the way and leadership style of leading employees has a direct impact on the organization's ability to support workforce and work-life balance. Researchers believed that employees' attitudes towards the organization depend in particular on the relationship with the hierarchies. Another scholar found that the attitude of the hospital manager increases the loyalty of employees to the organization. A group of researchers emphasized that managers must be "good bosses" to have a positive impact on employee loyalty. There is a relationship regarding participatory leadership style as a factor contributing to employee retention, it plays an important role in retaining employees. However, many scholars are less specific about the leadership styles that have a positive impact on the organization's ability to force employees to stay. It can be pointed out from two perspectives- Leadership style and Management Support. The participation of employees in decision-making motivates them to stay in the organization, it makes employees feel that they are part of the organization, which increases retention and loyalty. Support from management is more important than organizational support, "supportive and high-quality supervision" and "employee-oriented leadership" have a positive impact on employee retention. Researchers have observed that there is a link between perceived support from management and retention.

Work Environment:

A supportive work environment seems to be an important factor in retaining employees. The evidence shows that a supportive work environment can promote employee retention. A favorable environment refers to a flexible environment with a comfortable work experience and sufficient resources. Resource availability can be a determinant of retention as well as flexibility plays a vital role, especially in retaining health workers. Workplace and working condition should be enjoyable; professionals emphasized on the importance of a pleasant environment and flexibility. Workplace flexibility, healthy enjoyment and availability of resources seem to be the factors that help to create a supportive work-environment.

Social Support:

Social support generally relates to the satisfaction of the relationship with colleagues. Companionship seems to be the key factor in establishing connections. Researchers identified peer support as a contribution to retention. There is a correlation between effective human resource practices and the ability to attract employees and improve retention opportunities. Moreover, compliance can be achieved by increasing the sense of belonging. A study showed that the relationship between managers and employees is the second most common reason for turnover. Satisfaction with the relationship with peers, subordinate or hierarchies has been identified as a factor of commitment; identifying and satisfying the personal needs of employees is a binding factor for supportive work environment that can increase employee participation.

Autonomy:

Autonomy is characterized by being able to choose how to do employees' own work; having an impact on their work; and flexibility in workload decision-making. Researchers found that workplace autonomy is the determinant of job satisfaction, and therefore also the determination of retention. Autonomy at work affects an employee's decision to stay in the company. Tension at work or lack of control over work can lead to dissatisfaction at work, which will negatively affect retention. The autonomy and control of work activities lead to job satisfaction, which has a positive effect on retention, proved by many scholars.

Training and Development:

A major factor of employee retention is T&D- training and development. Researchers found that on-the-job training increases commitment and retention; employees' loyalty can be enhanced with learning and development program and it would make workers more effective and confident (Kossivi, Xu and Kalgora, 2021).

13. How do you find your company regarding promotion & increment?

7 responses

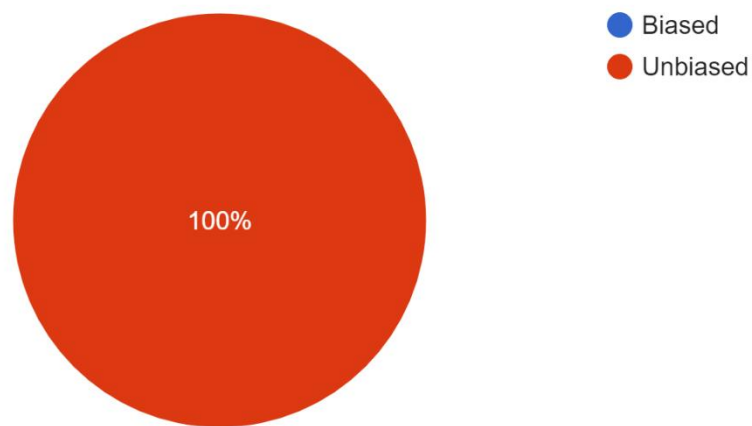


Figure 24: Transparency of promotion & compensation

14. Does your hierarchy recognize your works & outcomes?

7 responses

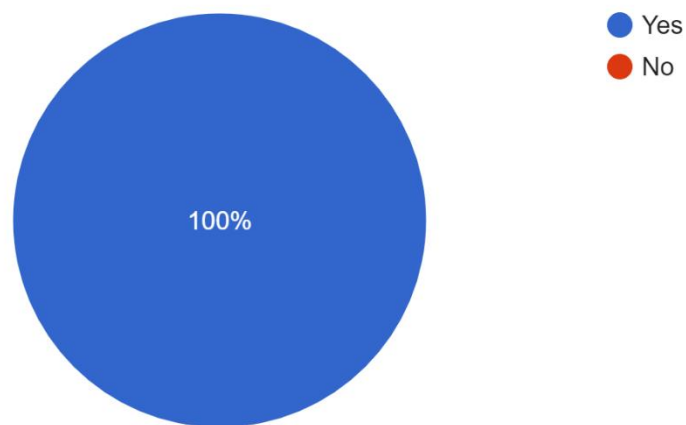


Figure 25: Recognition by hierarchies

15. How would you rate “Job Satisfaction” level among employees?

7 responses

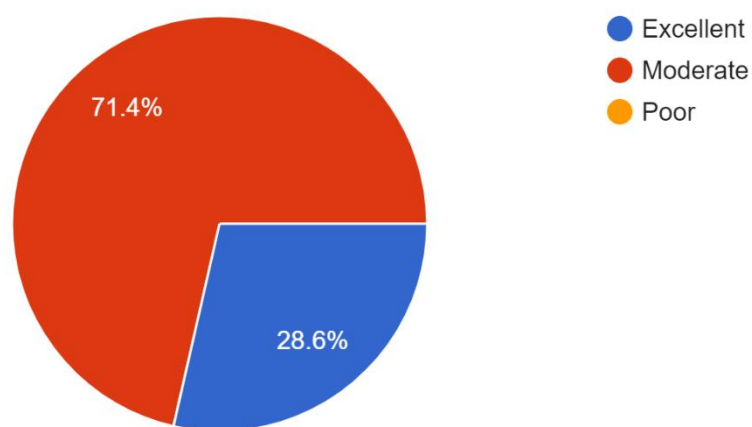
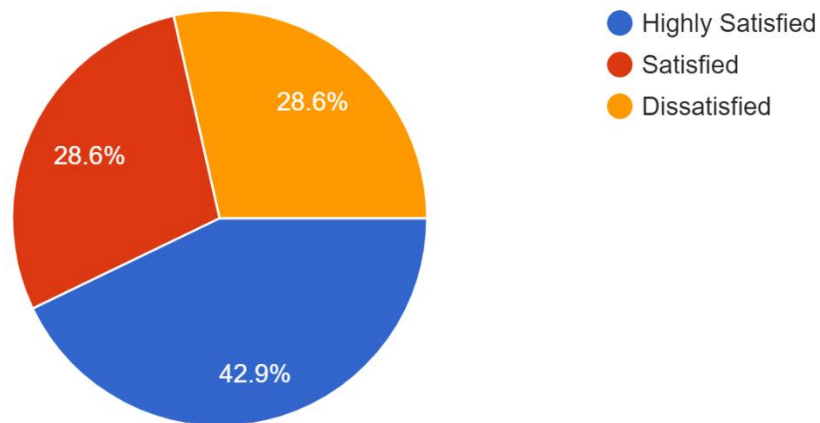


Figure 26: Job satisfaction of employees

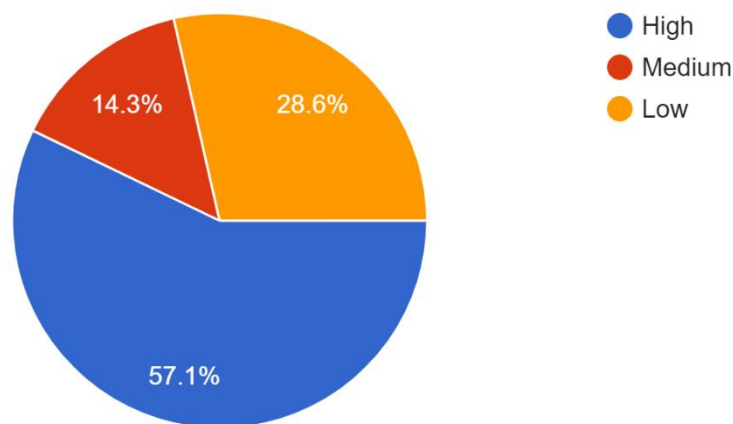
16. How much satisfied you are with “Retention” policy?

7 responses

*Figure 27: Effectiveness of Retention policy*

17. What is the level of “Employee Turnover” in your company?

7 responses

*Figure 28: Employee Turnover Rate*

All the respondents from both the companies found their promotion and increment policy unbiased, which is a good sign for both SMEs, as well as everyone said their hierarchies

recognize their works and outcomes. According to admin of Leopad, their salary and compensation package (commission, bonus) are fair enough compared to the market and from the charts, it can be seen that their “Job Satisfaction” level is moderate. However, big drawback for SMEs like Leopad is their “Employee Turnover Rate”. Even with the moderate level of job satisfaction, and fair benefit package, the turnover rate of employees is very high. The most notable factor behind it is null career development scope. As there is no strategic organizational structure and organogram, there is no room for promotion and improvement of career, in addition to, the nature of the business makes the necessity of the positions hold by the employees so unstable that employees switch job very often from Leopad. Apparently GTR has the similar consequences, if not the same. Even after having moderate to excellent job satisfaction level and standard compensation and benefit packages, employees of GTR gave blended review on “Retention” policy, and the “Turnover” rate of employees is more than average- a bit lower than Leopad.

The interviewees from both organizations during interview session gave the same answer to the question that why the turnover rate is so high, perhaps this is the common characteristic of the 2 SME. They mentioned the dream of working with big companies and better career opportunities as the reasons behind it. In this competitive world, every employee desires better job with better compensation package, more job security and career opportunities. Researcher found several more factors for high employee turnover such as work-life balance, working environment, more sophisticated T&D, developing leadership ability, employee-empowerment, social support etc. as the SMEs usually cannot provide these facilities properly because of restricted resources.

4.3.6. Succession Planning

Succession planning includes the systematic procedure of identifying pivotal positions in the organization, evaluating and choosing potential successors, and using expected skills and mental motivation to prepare them for future positions. In order to avoid other problems, succession planning is necessary to fill vacancies or achieve internal promotions, because it is unpredictable who will leave the organization other than retirement. Internal succession planning is a proactive measure to reduce operating costs and increase profits. Succession planning helps determine the strengths and weaknesses of employees,

determine appropriate opportunities, set incentives and develop strategies to rotate suitable employees based on evaluation. Succession planning uses information leverage to reduce knowledge attrition and improve the quality of work. Talent management uses the right skills to fill the right positions with the right people at the right time, and reduces the time required for hiring managers and replacement experts through succession planning. On the contrary, career management has become an important task for employees and employers. As the organizational model of command and control continues to change, employees have to bear the burden of career management. Career management is the responsibility of individuals, not organizations, because organizations appear to be flatter, which reduces the traditional continuity of the career ladder (Ali and Guha, 2019).

Significant importance of succession planning for business continuity and prosperity is noted, it is the most durable gift one generation can give to the next generation. Few researchers attribute this apparent neglect of succession planning to the emotions created by the process; it reminds one employee his ending of career and forces other family members to face the need for change. The CEO succession process of a small family business is very different from that of a large company, which is mainly due to the crossover of family and business interests in small businesses that leads to additional complexity. For instance, in larger companies, the date for appointing a new CEO is usually agreed in advance and supervised by the board of directors. In addition, large companies have higher succession rates, partly because these companies have produced more potential successors. On the contrary, in a typical SME or family business, there is almost no consensus on when to inherit and mostly it is limited to the family members. Previous modeling and research on CEO succession were almost entirely focused on large companies, whereas most family businesses are small businesses. Succession decisions are due to the absence of board members of smaller companies or relatively little power over the founders make differences in SMEs and MNCs. Family ownership, geographic service markets, financial assets have become important factors for future family-owned business (FOB) and SMEs (Motwani, Levenburg, Schwarz and Blankson, 2006).

18. Is your company run by
7 responses

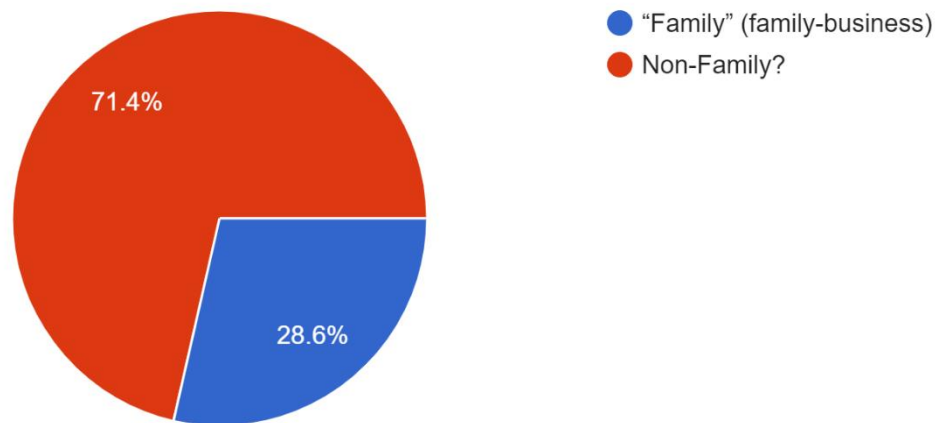


Figure 29: Type of the businesses

19. Do you find "Nepotism" in your company?
7 responses

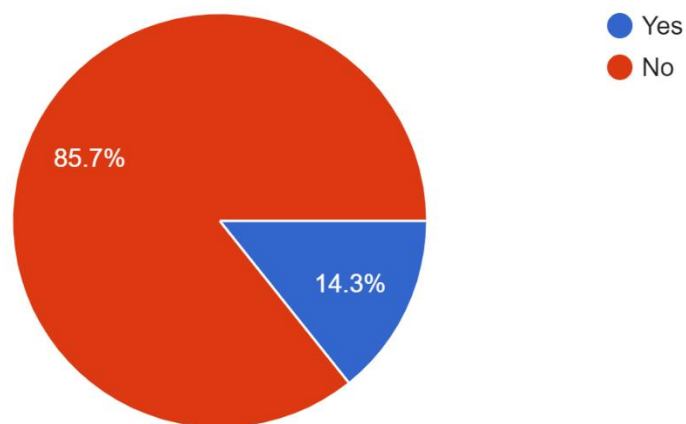


Figure 30: Nepotism in the organizations

20. Who decide “Successors” in your organization?

7 responses

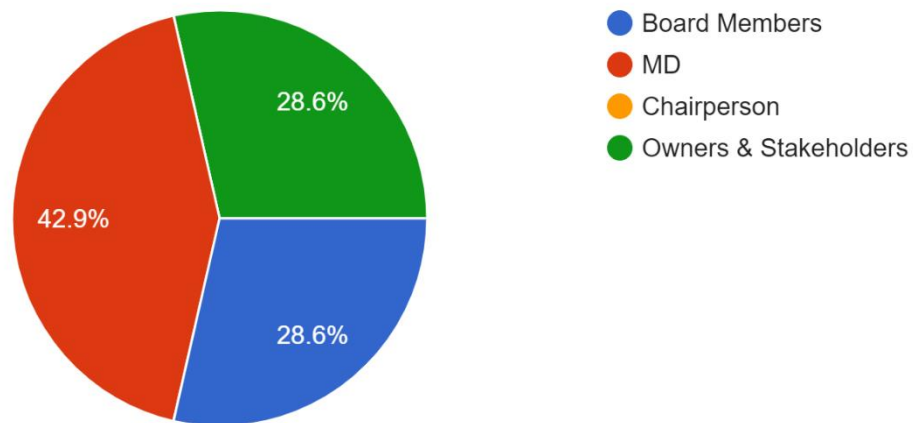


Figure 31: Deciders of Successors

According to the statistics above, it was identified that Leopad is a Family-Owned Business and GTR is non-family business. Leopad is owned by 2 families, one possessing two-thirds of the share and another family has one-thirds. On the other hand, though GTR was established by an individual, it does carry culture and structure of usual SMEs rather than Family-Owned Business. Regarding decision making process for “Successors”, 42.9% participants (GTR) said that Managing Director takes the decision for it whereas 28.6% (GTR) said that Board Members are responsible for this. However, 28.6% participants (Leopad) including the Admin during interview session clarified that Owners and Stakeholders, specially the 2 owners do the succession planning for the company. 85.7% interviewees agreed that there is no “Nepotism” in the organizations, however, one respondent said there is in Leopad.

Researcher found a notable common feature of these 2 SMEs- both the organizations are partially or fully controlled by the MD (GTR) or Owners (Leopad) regarding vital decision making such as succession planning. Though MD of GTR are responsible for the major decisions, according to the interviewees, it was found that there is contribution of board members in GTR, which researcher would mark as a positive ground and a standard

practice. An appreciative characteristic of GTR is absence of nepotism, which is a big deal in succession planning process. Researcher thinks that clear organizational structure, strategic HRM, comparatively solvent financial and human resources in the organization, tolerance and respectful soft skill of hierarchy with experience and a functional TM practice in GTR are the factors behind null nepotism and effective succession planning. On the contrary, Leopad has issue of nepotism according to one of the respondents, which is a bona fide information as researcher found that the eldest son of the chairman currently hold the position of director there. However, it will remain a matter of debate for now if this is positive or negative nepotism as the director is newly appointed, only for a year now. Researcher's remark regarding succession planning issues in Leopad would be pointed put in 3 ways. Firstly, fear of losing authority and power of the organization and natural "will" of maintaining the family business through generations. Secondly, lack of monetary and non-monetary resources such as capital, human capital, knowledge, experience and so on. Thirdly, as there is limitations of resources, especially financial and human resource, it is so difficult for Leopad to follow standard or better procedure of succession planning even if they want to.

Chapter 5: Challenges & Opportunities

5.1. GTR

1. Lack of knowledge about TM, existing policy and practice is one of the major challenges for GTR. For instance, few respondent said that there is Talent Pipeline in GTR, but there is not. Another observation was regarding T&D, some participators did not answer the question about effectiveness of T&D provided by the company. This type of confusions exist when there is not adequate knowledge about the policy and practice. Organization should put more effort on the strategic training programs, deploying to the appropriate job after T&D as well as ensuring more transparency and effectiveness of the PA and engagement with the employees regarding all these factors to avoid such phenomenon.
2. GTR should focus on the fact of “Employee Turnover” as the rate is notable there. The reasons behind it are less career development opportunities and dream of working for big companies. The organization can emphasize on work-life balance, working environment, more sophisticated T&D, developing leadership ability, employee-empowerment, social support etc. to reduce turnover rate within their limited resources.
3. Proper involvement of employees in minor and major decision-making process should be occurred. Otherwise after going through all the stages of TM like planning, acquiring, nurturing and retaining the “Talents”, the whole procedure and capabilities of employers may face questions such as - why the concerned authority cannot keep trust on the participation of their own choices or is it because they hire, train and retain redundant talents or the fear of losing current authority over them etc.

5.2. Leopad

1. The first and foremost challenge of Leopad is to develop strategic organizational structure with proper planning, no organizational design and particular departments are present there. Leopad should think about developing strategic HR department or HR policies and practice with their available resources, then it can be recommended for them to initiate TM policy and implementation.

2. As a family-owned SME, owners and stakeholders of Leopad should take the most careful and suitable approach to recruit employees as they have very limited resource and unstable business condition. One eligible talent can bring huge opportunities and growth if the talent is nurtured and retained properly and to attract and select one is a big challenge.
3. Employees should get suitable training before appointed for any major task. If the appointed task is failed due to lack of guidance, apparently the organization will face consequences of that and it will become a burden for small company like Leopad.
4. A very crucial and imperative step should be taken by the authority is business-oriented financial management. If the company does not have adequate idea of its resources then it is difficult to manage the resources. Without proper financial evaluation, authority cannot allot necessary resource to attract and retain talents, unable to provide facilities even within their limitations, as a result, the turnover rate of employees is high in the company.
5. Leopad has labyrinth with succession planning. Tendency of handling the business generation after generation can be seen there. However, Leopad may follow either one of these two procedures- get rid of the typical culture of succession planning and source appropriate hierarchies for the company; or to develop current successors and make them capable to run the business forward.

Apart from theses, some common principals should be applied or improved in both the SMEs. According to the scholars, the principals are-

Build and buy to manage risk: The talent pool is expensive, so companies must understand their needs and plan to hire external staff to make up for the shortcomings. Some vacancies may be easier to fill up from the outside than others and some are easier with internal recruitment, so companies need to consider from where to source talents as they would invest valuable resources in development. TM is an investment, not an entitlement.

Adapt to the uncertainty of talent needs: Uncertainty in demand is a fact, and futuristic companies would find ways to adapt it. One way is to divide the development plan into

shorter parts: for example, to develop business apprentices in a three-year general management training from all the departments to develop general management skills rather than sending them in a three-year specialization training; and after that apprentices can be sent for specialization training. Thus, organization can create a wide range of talent pool and assign them to any task when it is needed.

Improve ROI to develop employees: One way to increase compensation is to let employees share development costs. This may mean requiring them to voluntarily undertake additional tasks. Another way is to maintain relationships with former employees, hoping that one day they can come back and bring back the invest in their skills.

Maintain investment by balancing the interests of employees and employers: The main reason why great talents leave the company may be because they have found better opportunities elsewhere. This makes talent development a short-term asset. The key of maintaining investment in development work for as long as possible is to balance the interests of employees and employers through joint promotion decisions (Cappelli, 2008).

To apply and maintain these TM principals, several prior recommendations are provided by researchers and scholars such as-

- Rethink/build talents: Talent definition, values and principles, business background and trends of the talent market;
- Talent management related to positions: Strategies or tactics, decision-making, actions, and methods of formulating/implementing TM processes.
- Business and talent integration: TM system and consistency with strategic management processes and annual/quarterly work plans.
- Leadership: The quality and direction of leadership specify role of talents.
- Discover talent culture and way of thinking: Common language, cultural information and attributes, negative influence etc.
- Skills and responsibility assessment: Determining talent skills, talent responsibilities, the quality of talent and talent evaluation.

- Design and implementation of TM: Personnel/technical issues, talent process success indicators and process gaps.
- Talent performance evaluation: Improving talent development, finding potentials of talent, engagement and talent performance.
- Talent Agenda: Keeping the agenda clear and responsive through continuous support, consistent interpretation, and regular discussions.
- Talent management review: Observing how it compares with other organizations or business units/functions in terms of talent focus, delivery, and gaps (Ashton and Morton, 2005).

Chapter 6: Summary & Future Development

Since the concept of TM in SME is very different from the background of large companies, it is necessary to check key conceptual issues, such as who is considered the “talent” of SMEs and what is highlighted in the selection process. The literature on large companies highlights the ambiguity of the term. Some authors hardly define the meaning of talent, others define it as unique characteristics of people. Although previously it was thought that SMEs would consider inclusive approach and therefore all are classified as talents, it is proposed by scholars an object-oriented method, where "talent" is identified as the characteristics of an individual to fit to the job or organization. Although profit-based indicators are more commonly used as success indicators for large companies, growth is usually a KPI for small companies (Krishnan and Scullion, 2017). Product innovation is the main growth driver for SMEs, and the lack of management skills required for innovation limits the growth to the targets. Collaborative problem solving is also important for small businesses, with a strong team spirit and fewer "hiding places" in small organizations, everyone has to contribute effectively. Therefore, the relationship between management quality and business performance of small and medium enterprises is expected to be stronger than that of large enterprises and that is why, the understanding of talent characteristics will depend on SMEs' attention to employee selection. With the constraints of resources and legitimacy grounds, small and medium-sized enterprises are looking for people who can add the most value, organizations should consider selection process as an important factor in determining which characteristics are important of talents in the context of SMEs. The SMEs in Bangladesh is currently facing many challenges like GTR and Leopad. Insufficient resources in Bangladesh, the scarcity of raw materials restricts their ability to enter the advanced stage of worldwide business. Higher employee turnover rate is observed in Leopad as well as GTR due to the limited growth of SMEs, the most qualified employees are leaving the organizations. SMEs create talents but are not good at retaining them. Many of them do not master modern technology and implementation of IT in Talent or Human Resource Management (Ali and Guha, 2019).

While collecting data from GTR and Leopad, all the interviewees agreed upon one fact-necessity of Talent Management in the organizations; either in form of part of HR policy

and practice or distinctively. GTR's employees marked few satisfactory TM policies in their organization such as clear and unbiased PA policy that they think other SMEs should follow as well, to evaluate current condition of "Talents" in the organization. However, work-life balance and less career development opportunities were identified as major reasons of employee turnover and employees of GTR would like to see changes in these sectors. Such issues are also applicable for Leopad, however, what they need instantly is a strategic organizational structure and a fit HR policy to their organization.

Considering the circumstances during this COVID pandemic and natural humanly constrains, researcher found difficulties to conduct more robust research in these 2 organizations and SMEs in general. Few notable sectors for future researchers and developers would be how to align talents with strategic goals, comprehensive discussion on attracting and retaining talents, how to get more attention and support as SME from governmental administrations and non-governmental institutions and so on. Apart from these, researcher observed immense loophole between technological advancement and TM, which is a fascinating and essential subject of further research and development.

Chapter 7: Conclusion

In the past ten years, academicians and scholars have become increasingly interested in talent management research, mainly focusing on the United States and Anglo-Saxon countries in. In addition, most of the talent management studies were conducted on large multinational companies (Krishnan and Scullion, 2017). It is recommended to study TM in a different context. So far, there has been very little research on the concept and theory of TM in SMEs. Businessmen, employers, employees from different backgrounds, especially related to SMEs need to learn more about the specific issues and technologies of TM. In this project, researcher narrowed down TM literature on SMEs and research gap, current condition of TM in SMEs worldwide, SMEs in Bangladesh and analysis of TM in two (2) SMEs of Bangladesh. SMEs are key players in economic acceleration, poverty reduction and rapid industrialization in developing countries such as Bangladesh. Bangladesh government has recognized the importance of SMEs in "Industrial Policy-2005" and was declared as a "Thrust Sector". SMEs are tools for poverty eradication as most of the SMEs are labor-intensive. They also encourage business skills development and innovation. In addition to, SMEs can also reduce urban migration and enhance cash flow in rural areas which will improve the standard of living outside of major cities. The performance of SMEs in Bangladesh is far below than international standards, and researcher thinks one of the major reasons for this incident is poor or no HR and TM policy and practice in the SMEs.

Nowadays, human Intelligence is precious resource for enterprises. TM is one of the suitable ways for human intelligence to improve organizational performance. It can release the potential of employees, achieve business goals faster, and cultivate key business skills. TM does track, classify and improve the skills required to maintain future competitive advantage (Frank & Taylor, 2004). Organizations who promote TM strategies and practices is better equipped in order to effectively compete in explosive dynamic and complex markets. It helps companies to improve their competitiveness by developing core competencies of employees, there is a link between company's performance and TM. TM is responsible for aligning HR tactics with organizational objective and integrates other departments by formulating specified positions for each task and establishing a talent

culture. TM helps to ensure that employees are in the right place at the right time doing the right job (Mondy and Martocchio, 2016). It is a form of management that transforms the traditional HRM to the modern and dynamic HRM. This change requires many difficulties such as culture and talent-mindset through human resource-oriented leadership, HR based business plans, investing in people's development and so on. When employees and HR management take decisions about TM methods and practices related to selection, T&D and retention, it is also important for employees to express their opinions; companies need to enable them to make effective contributions and support growth as well as the employees need to face the challenges of the modern workplace. This transition requires preparation at all levels and requires support from the upper levels. By encouraging the development, participation, and high-productivity practices (formal or informal) of the young workforce, possibility of leaving can be reduced. For this, it is important to understand the expectations of young workers and how they view the specific situations of labor relations. This practice overcome the notorious "Disagreement" among workers of different generations. However, researcher is very optimistic about significant research and development as well as change in Talent Management of SMEs in Bangladesh as SMEs are part and parcel of gross economic development of any country.

Through the whole research work, major variations regarding definition and concept of TM was observed. In the Chinese SMEs, "Creative" and "Enthusiastic" employees are often preferred as talents. As a result, employees involved in technical work are refereed as talent widely, however, managerial people are included as well in many cases. On the other hand, many Spanish SMEs were found practicing Talent Management without even knowing the formal term, for them, talents are measured with extraordinary performance and attitude and in Polish SMEs, contradiction is going on if the outperformers only should be refereed as "Talents" or everyone are the talents and should be equally nurtured. In a nutshell, it is difficult to sum up one definition and concept of Talent and practice of Talent Management due to economical, geographical and many other differences. Nevertheless, it is high time for the scholars, professionals and practitioners to set a general definition, concept and policy of Talent Management for Small and Medium Sized Enterprises that would be accepted and implemented worldwide for the betterment of SMEs.

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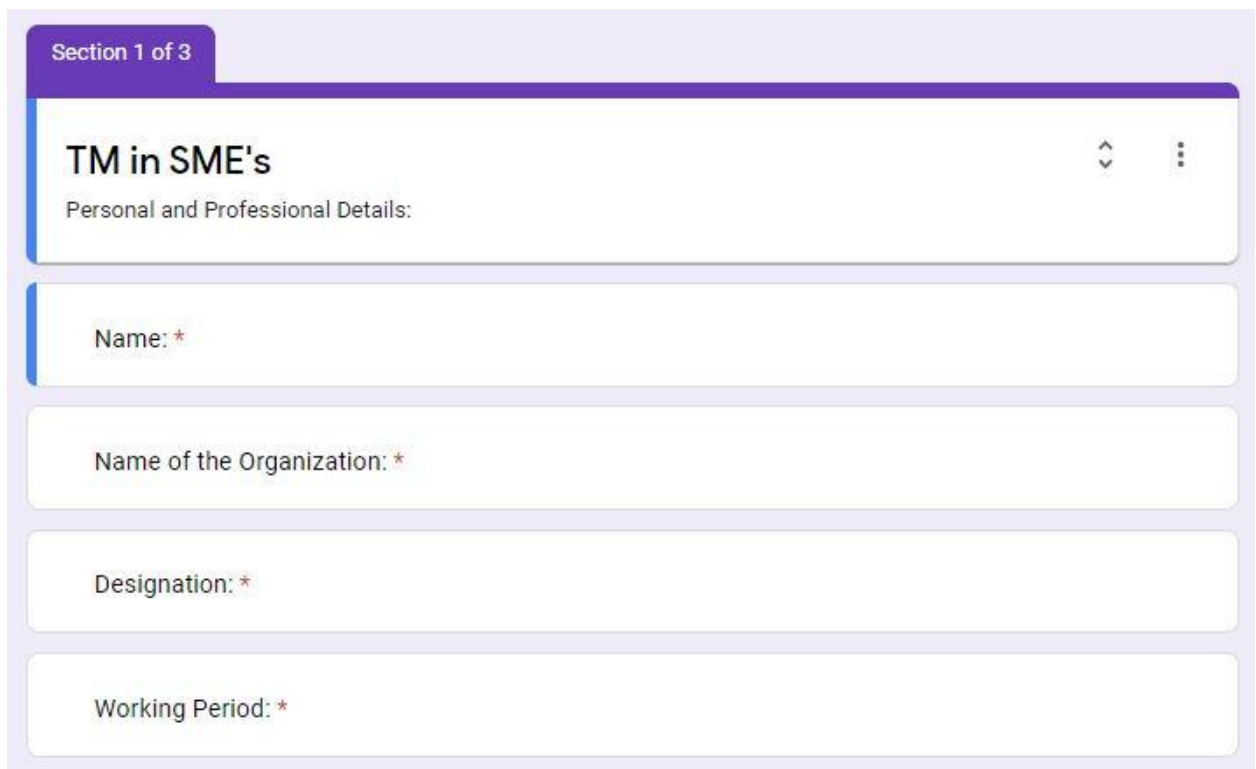
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Appendix

Survey & Interview Questions

Survey Questions (Google Docs Link):

<https://forms.gle/EH4DJYfVJECms8JZ7>



Section 1 of 3

TM in SME's

Personal and Professional Details:

Name: *

Name of the Organization: *

Designation: *

Working Period: *

Figure 32: Details of the respondents

Section 2 of 3

Survey Questions

Organizational details on TM:

1. Do you have a TM policy in your organization ? *
2. If yes, what are the major procedures/ strategies of the policy?
3. If no, do you feel the necessity of TM in your organization?
4. Do you have one (1) TM policy for all the departments?

Figure 33: Current scenario of TM in the organizations

Section 3 of 3

TM Process

1. What type of recruitment is mainly followed in your organization? *
2. Is there any "talent pipeline" in your organization? *
3. If external, which procedure is mainly followed to source
4. How many stages are there in your organization's "interview" process? *
5. Interviewees are usually interviewed by? *

Figure 34: Recruitment & Selection



6. Do you have "Training & Development" policy in your organization? *

7. If yes, how much effective that is in your opinion?

8. If no, do you feel; the need of the policy? *

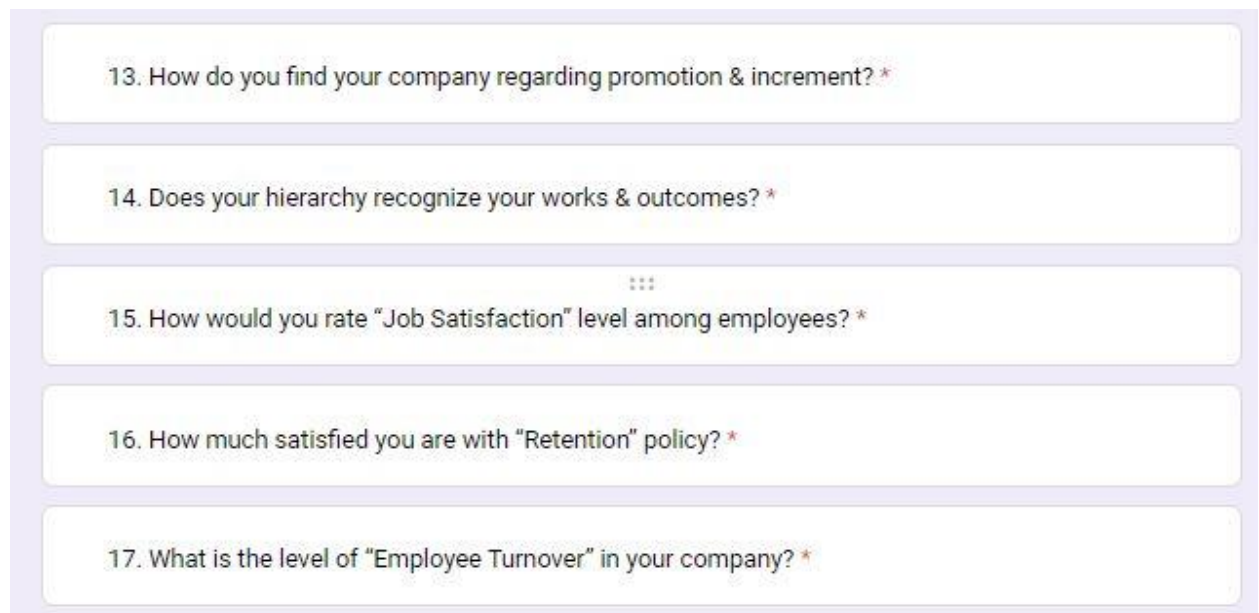
9. Does your organization conduct performance appraisal (PA)? *

10. If yes, is it conducted before T&D or after T&D?

11. How often it is conducted?

12. How much satisfied you are with the criteria of PA in your organization?

Figure 35: T&D and PA



13. How do you find your company regarding promotion & increment? *

14. Does your hierarchy recognize your works & outcomes? *

15. How would you rate "Job Satisfaction" level among employees? *

16. How much satisfied you are with "Retention" policy? *

17. What is the level of "Employee Turnover" in your company? *

Figure 36: Retention & Employee Turnover

18. Is your company run by *

19. Do you find "Nepotism" in your company? *

20. Who decide "Successors" in your organization? *

Figure 37: Succession Planning

Interview Questions:

1. Do you have TM policy in your organization, is it a part of organization's HR policy or individual policy?
2. Please tell me about your organization's job vacancy, job advertisement, recruitment and selection procedures in brief.
3. What about "Training & Development" and "Performance Appraisal" in the organization?
4. How much dedicated the company is to recognize, reward and to retain its employees?
5. What is the policy and practice of "Succession Planning" in your organization, how does a successor appear, who take the decisions about it?
6. Do you really feel the need of TM in SMEs like your company? Why?
7. What are the TM practices in your organization that other SMEs you think should adopt too?
8. If you are assigned as one of decision and policy makers, what changes would you like to see in the TM policy?

Respondents' List

<u>Employee & Company Name</u>	<u>Designation</u>
Md. Zakaria Khan (GTR)	HR Executive
Fazleh Alahi (GTR)	Executive
Saiful Islam (GTR)	Assistant Manager
Azizur Rahman (GTR)	Marketing Executive
Md Nasif-Uz-Zaman (GTR)	Executive (Finance)
Lubna (Leopad)	Admin (Former)
Md. Kamruzzaman (Leopad)	Admin & Marketing Executive
Ibrahim (Leopad)	Admin