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## **Pathology of talent management in urban industries; case study: automotive industries**

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### **Abstract**

The purpose of this study is pathology of talent management in the automotive industry, so we identify Challenges and barriers, as well as success factors in this filed. This research is a kind of qualitative study that has been done by coding methodology of qualitative data. We used semi-structured interview to collect data. After collecting data and coding, data are divided into two groups of “barriers and challenges” and “success factors” that summarized into definite sets and certain concepts. In studying relations between concepts and categories related to barriers and challenges, 31 concepts were extracted and divided into 4 categories under the titles of structural, environmental, behavioral and managerial challenges and barrier. In studying relations between concepts and categories related to success factors, 20 concepts were extracted and divided into 3 categories under the titles of structural, environmental, and managerial success factors.

**Keywords:** *automotive industry, implementation barriers, pathology, success factor, talent management.*

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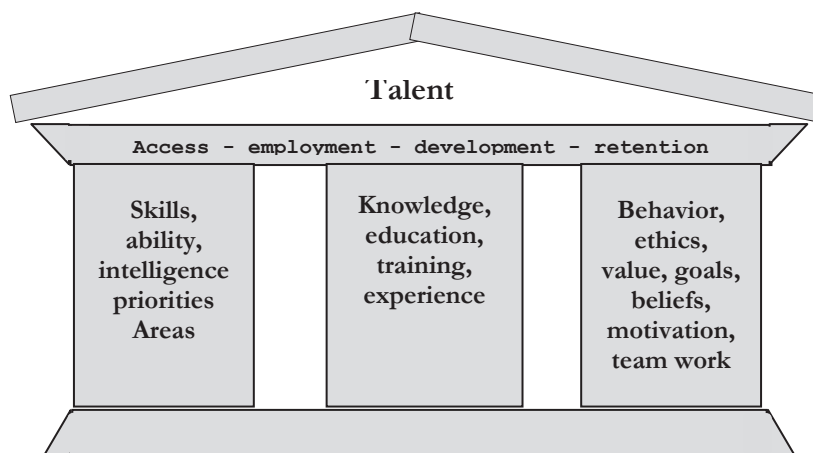
## Introduction

The change and development worldwide have raised numerous dynamism and complexity at business environment, thus the organizations should detect the main element in their abilities and invest on it for which a system is required to manage talents within organization. On one hand, severe competition has complicated long term retention of competitive advantage and on the other hand short lifecycle of new business products and models requires constant innovation. On the other hand, change of problem-based strategy to vision-based strategy requires detecting talents, competencies and use of them. For instance, when one of the organizational positions remains without position due to some reasons, most of senior managers perceive that there are many individuals in the organization to employ for these jobs who are not well suited and competent for those jobs. Therefore, they have been obliged to employ those individuals out of organization in most of cases, incurring high cost to the organization in addition to time consuming and raising risk of maladjustment of person with the culture prevailing in the organization. Modern human experiences and literature review on talents management indicate that there is a direct relationship between talents and superior performance of organization, so that talents create value to the organization and staffs' expectations change. These challenges have complicated capturing the "hearts" and "brains" of staffs today (Richard et al. 2011). This has also come true in automotive industry as one of the pioneering industries, so that the issues relating to human resources development have been mentioned as one of the strategic priorities. In this regards, in recent years, the issue under development of manpower has been taken into account by the titles such as detection of talents, succession, future managers and so forth in Saipa and Iran Khodro groups. Yet, despite these issues, talent management has not been implemented thoroughly at this area. The present research has been conducted to examine

Pathology of talent management in automotive industries aiming at detecting the barriers to implementation and examining the success factors in talent management as the solution to resolve some of the detected barriers. Therefore, the major questions of research include "what are the barriers to implementation of talent management in automotive industry?" and "what are success factors in talent management in automotive industry?". To give response to these questions, the literature review was examined and the definitions, barriers to implementation and success factors of talent management were extracted based on literature review. With regard to the methods used in literature review, deep interview with experts was used as the major tool to collect data and the collected data were examined and categorized via coding qualitative data and content analysis and the concepts were determined. To sum up, the conceptual model for the talent management was formulated including the barriers to implementation and success factors of talent management in automotive industry.

### Literature review

In this section, a summary of related works in the context of talent management has been proposed. In these studies, the definitions, outlooks, models as well as the factors which raise talent management have been proposed. These investigations assist to have wider outlook to the issue and gain better understanding in addition to existing definitions and outlooks as well as the factors affecting talent management. Since understanding issues of talent management regardless of concept of talent and definition of talent management seems far from expectation, firstly the definition of talent and then talent management have been proposed and ultimately the factors affecting talent management including barriers to talent management and success factors have been proposed. Talent and talent management  
Michaels and his colleague (2001) have defined talent management combined of strategic mind, leadership power, affective maturity,



▲ Figure 1. Dimensions of talent

communication skill, entrepreneurship, functional skill and the power to propose results. Wardynski(2009) has defined talent combined of three major dimensions of skills, knowledge and behaviors which create an optimal level of individual performance. In figure 1, each dimension of various outlooks and components of each dimension have been proposed.

Competence includes a series of necessary success factors to achieve important outcomes at a job and/or a specific role in a specific organization. Success factors have combined of knowledge, skills and competence explained in specific behaviors and displayed by the staffs with superior performance in these roles and jobs (Srivastava, 2014). The term “talent management” was invented for the first time by Steven Hankin at the late 1990s mentioned with talent battle (Esculine et al. 2010). Study on literature review indicates that there are a variety of definitions for talent management. From point of view of Dago (2005), talent management has been defined as the strategic control on talent aiming at ensuring about availability of talents based on strategic business goals and succession of suitable individuals at suitable job and time. From point of view of Schweyer (2004), talent management has encompassed all the human resource processes and referred to selection, employment, socialization, retention, development and employment of manpower followed by planning and analysis.

According to the definition by Mellahi & Collings (2009), talent management refers to the process of systematic detection of key jobs, develop structure of human resources to facilitate employing the competent individuals for these jobs and ensure these individuals’ commitment to organization. Esculine et al. (2010) have defined the global talent management as an effort to acquire, select, develop and maintain key hardworking staffs at global scale. Lewis and Heckman (2006) have proposed a systematic definition for talent management which focuses on strategic talent management besides review of problems in definition for talent management and have mentioned the future research orientation at the area of talent management.

#### **The factors affecting talent management**

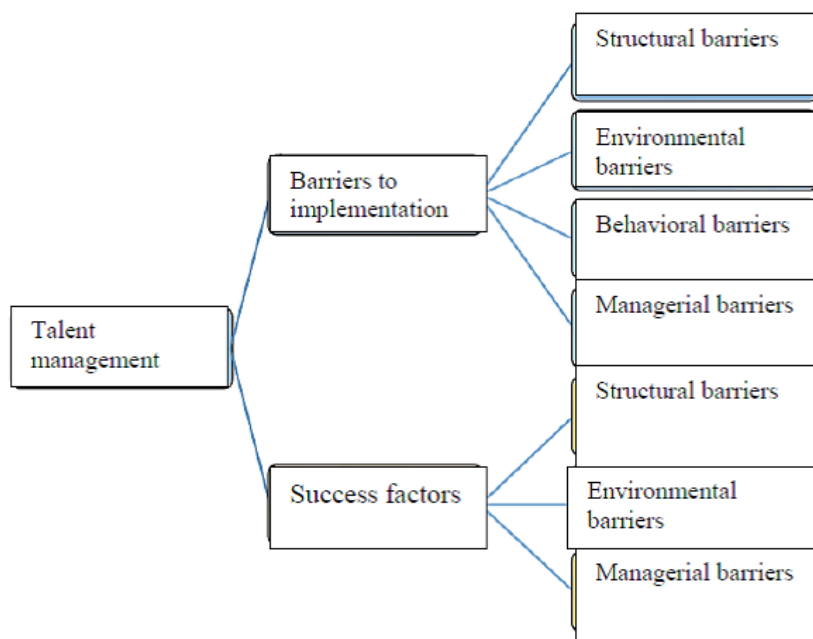
Khaliji et al. (2015) in their research proposed a conceptual framework for talent management besides mentioning the limited range for global talent management including the activities to increase quality and quantity of talent in the countries and regions. Further, they have mentioned the challenges such as effects of country in direct involvement by national governments in attracting and developing talent. Collings (2014) has examined the challenges and opportunities of talent management system in multinational companies and stated that how integration of global movement and global talent management can assist for success

of multinational companies. Tatli et al. (2013) have mentioned the relationship between talent shortage and existence of talented women in Asia and the Pacific. This region has faced talent shortage on one hand and talented women as intact potential on the other hand. In this research, researchers have elaborated necessity and legitimacy of attention to gender quotas as a part of talent management strategy to use women's intact potential. 15. Schuler et al (2011) have detected major forces developing the global talent challenges and elaborated human resources policies to cope with these challenges.

Failure to allocate enough time to talent management by senior executives, managers' lack of commitment to this issue, unwillingness to acknowledge the functional differences among employees, weak human resources departments and organizational structure have been mentioned as the major barriers. Tarique & Schuler (2010) have examined various challenges in global talent management and have divided them into domestic and foreign challenges. The factors such as immigration, demography and the gap between supply and demand have been examined as domestic factors and regional-oriented approach, international strategic alliances and the need for competence have been examined as foreign factors. Mellahi & Collings (2010) have mentioned the barriers to global talent management based on agency theory and the theory of bounded rationality. According to agency theory, when the goals and benefits of global companies are not taken into account, the national company might hide its talents and use them in its organization. According to the theory of bounded rationality, decision making for talent status requires a complicated process fallen out of ability of managers, whereby the managers make decision based on existing information. Iles et al. (2010) have mentioned the conceptual framework of talent management and the factors affecting it and introduced four main perspectives on TM: exclusive-people; exclusive-position; inclusive-

people; social capital. Further, they have mentioned the factors such as increasing detection of key role of talent management, the competition among organizations to achieve talents, shortage of talent management which has restricted successful implementation of global strategies.

Riccio (2010) in a study "Talent management in higher education: Identifying and developing emerging leaders within the administration at private colleges and universities" has put emphasis on presidential vision, leadership commitment, talent management's place among institutional priorities, program characteristics, and program evaluation. Further, major factors affecting talent management have been introduced as stability in support from talent management programs, detection of individuals' need, facilitation of talent development programs, receiving qualitative feedback, practical learning, coaching and the opportunities for growth. Sweem (2009) has introduced development of staffs, constant improvement in work environment, performance management and clear information flow as the key components of talent management. Ultimately, a model has been proposed in which talent management strategy has been considered in human resource management strategy and human resource strategy has been considered in corporate strategy. The results from study by Godrich and his colleague (2008) stated that multinational companies face the problems such as Cultural diversity, international transfer, creating consistent processes of human resources in working units in different geographical areas, the lack of international management experience, unwillingness of employees to transfer to subsidiaries located in other countries. Ensuring global stability in management processes, acquiring cultural diversity and developing global leaders have been introduced as three key activities of talent management among companies with high performance. Godrich et al. (2008) have detected the barriers to talent management in review of 22 global compa-



▲ Fig 2. Conceptual model of talent management

nies, which the barriers include senior managers' short-term outlook, lack of commitment to talent development, minimum collaboration and share of talent among business units, lack of strategic alignment between talent management strategy and business strategy, inattention to staff managers and ambiguity in role of human resources specialists. Godrich et al.(2006) have mentioned lack of managers' belief in development of staffs, lack of attention and allocation of sufficient time by senior managers, island thinking and lack of collaboration, misalignment between talent management strategy and business strategies, lack of sufficient commitment by line managers and lack of understanding about key jobs as the barriers to talent management.

### Research method

The present research is an applied study in sake of aim conducted via coding of qualitative data. With regard to goals of research, interview with experts is the data collection method. Data have been examined and classified via coding and content analysis. In this research, the statistical population consists of managers and experts at area of human resources with proficiency at issue of talent man-

agement and automotive industry. The number of interviewees has been determined based on data adequacy and ultimately 17 persons were interviewed including 6 non-human resources managers and 11 human resources managers and experts. The present research aiming at examining pathology of talent management in automotive industry has examined success factors of talent management as a way to resolve some barriers. Therefore, the major questions of research include what are the barriers to implementation of talent management in automotive industry? What are success factors of talent management in automotive industry? After analysis of data, the concepts and items have been determined and classified by coding qualitative data. Ultimately, the conceptual model of talent management was formulated which includes the barriers to implementation and success factors of talent management in automotive industry.

### Data analysis

The qualitative data which had been collected via interview were analyzed via coding method. Firstly, using open coding method, the concepts and items related to the subject of research were extracted. At the second stage,

Item	Concept	Frequency
Structural barriers	Lack of integrated human resource systems	18
	Lack of competence model related to the organizational strategy	17
	lack of organizational strategies and human resource strategies	13
	Lack of professional managers and specialists in the field of human resources	11
	Lack of consistent approach in development programs and the lack of appropriate implementation of programs	11
	Conceptual outcome of the HR processes	11
	Lack of motivational approaches	10
	Governance of administrative outlook on human resources	9
	Lack of proper implementation of the performance management process	6
	Lack of the possibility to analyze the costs especially the cost of inconvenient people	5
Environmental barriers		
	organization's governance on organization and external pressure for managerial occupations and employment	15
	Management instability	11
	Public supports and lack of serious competition	8
	Economic sanctions	6
	Young population and saturation of labor market	6
	Lack of balance in supply and demand and slow movement towards privatization and globalization	4
	Limited access to global markets	3
Behavioral barriers	Subjective frameworks and cognitive biases	9
	Cultural barriers	8
	Managers' resistance against change	7
	Gender discrimination	3
Managerial barriers	Lack of belief and commitment of senior managers to talent management processes	25
	Governance of relations in appointment	24
	Lack of strategic outlook to human resources	18
	Lack of positive outlook to human resources	17
	Lack of managers' participation in performing talent management processes	16
	Failure to extend the concepts of human resource development among managers	10
	Inattention to managers' role in education system	8
	Priority of managers' view in appointment	7

▲ Table 1. The most important barriers to talent management in automotive industry



the most important barriers to implementation and success factors of talent management in automotive industry were classified via axial coding approach. In open and axial coding, the talent management model was developed in automotive industry. After collecting data and familiarizing with existing concepts, data were classified to two groups of barriers to implementation and success factors which each group was embedded with certain categories and concepts. Concerning the study on the relationship between concepts and items related to barriers to implementation, 31 concepts and items were extracted, divided to four categories named structural, environmental, behavioral and managerial barriers. In the study on the relationship between concepts and items related to success factors, 20 concepts were extracted divided into three categories entitled structural, environmental and managerial success factors. To determine frequency of each concept, the extent to which each concept has been repeated in the data from interview has been calculated and then frequency of each item has been calculated based on sum of frequency of the concepts related to that item. After analysis of data and characterization of items, the conceptual model of research was extracted and shown in figure 2.

### Findings of research

The results from research can be proposed at three sections including definitions, barriers to implementation and key success factors of talent management in automotive industry. In this section, these results have been proposed and then the detected factors have been compared with findings to confirm the findings.

With regard to the review of organizational documents and results from interviews, Iranian automotive companies use competence model to specify the competent individuals, so that review of these models indicate their similarity to the definition by Wardynski (2009) who knows talent combined of three major dimensions of skills, knowledge and behaviors which create optimal individual performance. Further, the

definition for the talent management in these companies is as follow: talent management ensures the organization to employ the competent individuals with suitable skills at their suitable job position to achieve the expected business goals. Indeed, talent management includes a thorough series of processes to detect, use and manage individuals to perform the required business strategy of organization. These processes are divided into three major areas of acquisition, retention and development of talents.

Finding talent: stage of finding talent includes evaluation and detection of the competent individuals by use of evaluation and development approach.

**Development of talents:** after detecting potential talents, development programs are proposed to develop competencies of these individuals.

Retention systems: the risk for acquisition of identified and fostered talents by competitors has been regarded as one of the problems faced by the organizations. Thus the retention systems to maintain talents have been regarded as one of the major components of talent management system. Unfortunately a huge activity has not been made at the area of development of talent and retention of talent at the organizations under study due to the reasons mentioned in the barriers to talent management system.

### The barriers to implementation of talent management

The most important barriers to implementation of talent management were classified to four dimensions which can be known as the dimensions developing each organization including structural dimension, environmental dimension, behavioral dimension and managerial dimension. Each of these dimensions has been developed from various components shown in table 1.

#### Structural barriers

Structural barriers include all elements, physical and non-human factors within organization



which can be classified to hard organization elements. The most important structural barriers to talent management in automotive industry have been classified based on extent of frequency including:

1. Lack of integrated human resource systems
2. Lack of competence model related to the organizational strategy
3. lack of organizational strategies and human resource strategies
4. Lack of professional managers and specialists in the field of human resources
5. Lack of consistent approach in development programs and the lack of appropriate implementation of programs
6. Conceptual outcome of the HR processes
7. Lack of motivational approaches
8. Governance of administrative outlook on human resources
9. Lack of proper implementation of the performance management process
10. Lack of the possibility to analyze the costs especially the cost of inconvenient people

#### **Environmental barriers**

Environmental barriers include all the environmental and intra-organizational conditions and factors which govern the organization. They have been out of control, but have high effect and influence on organizational performance. This area has been regarded as the most important field to which survival and growth of organization have relied. The most important environmental barriers to talent management based on frequency value include:

1. organization's governance on organization and external pressure for managerial occupations and employment;
2. Management instability;
3. Public supports and lack of serious competition;
4. Economic sanctions;
5. Young population and saturation of labor market;
6. Lack of balance in supply and demand and slow movement towards privatization and globalization;

7. Limited access to global markets.

#### **Behavioral barriers**

Behavioral barriers related to human relations in the organization which include informal relations develop major content of organization. These factors are recognized as soft organizational elements which are less tangible. The most important behavioral barriers to talent management in automotive industry based on value of frequency include:

1. Subjective frameworks and cognitive biases;
2. Cultural barriers;
3. Managers' resistance against change;
4. Gender discrimination.

#### **Managerial barriers**

Managerial barriers can be considered as subset of behavioral barriers; since managers' outlook and attitude as well as their participation play a determinant role in implementation of talent management, this field has been considered separately. The most important managerial barriers include:

1. Lack of belief and commitment of senior managers to talent management processes;
2. Governance of relations in appointment;
3. Lack of strategic outlook to human resources;
4. Lack of positive outlook to human resources;
5. Lack of managers' participation in performing talent management processes
6. Failure to extend the concepts of human resource development among managers;
7. Inattention to managers' role in education system;
8. Priority of managers' view in appointment.

The success factors of talent management With regard to analyzing and coding qualitative data, the most important success factors of talent management in automotive industry have been detected and classified in three major sections including structural, environmental and managerial success factors proposed in table 2.

#### **Structural success factors**

Structural success factors like structural barriers include all physical elements and condi-



Item	Concept	Frequency
Structural success factors	Use of standard tools and processes	19
	Backup processes	11
	Active human resources unit	11
	Financial analysis of human capital indices	10
	Integrated programs	8
	Alignment between HR strategy and business strategy	8
	Organizational structure	6
	Motivational systems	5
	Positive and successful experiences at implementation of modern management ideas	5
	Performance management	4
Environmental success factors	Stability in management	10
	Protect organization from political pressures about appointment	9
Managerial success factors	Belief, commitment and support by senior managers	16
	Strategic outlook to human resources	15
	Belief, commitment and support by managers	15
	Strategic management as a strategic priority	12
	Macro approach to talent development	12
	Organizational trend to Meritocratic selection	11
	Managers' tendency to rational decision making	5
	Break Information silos	4

▲ Table 2. The most important success factors of talent management at automotive industry

tions within organization. The most important structural success factors in talent management in automotive industry have been classified based on value of frequency including:

1. Use of standard tools and processes
2. Backup processes
3. Active human resources unit
4. Financial analysis of human capital indices
5. Integrated programs
6. Alignment between HR strategy and business strategy
7. Organizational structure
8. Motivational systems
9. Positive and successful experiences at implementation of modern management ideas
10. Performance management

### Environmental success factors

Environmental success factors like environmental barriers include all the environmental and intra-organizational conditions and factors which dominate organization and fall out of control. The most important Environmental success factors include:

1. Stability in management
2. Protect organization from political pressures about appointment

### Managerial success factors

Managerial success factors like managerial barriers relate to the human relations within organization. The most important Managerial success factors in talent management in automotive industry include:

1. Belief, commitment and support by senior managers
2. Strategic outlook to human resources
3. Belief, commitment and support by managers
4. Strategic management as a strategic priority
5. Macro approach to talent development
6. Organizational trend to Meritocratic selection
7. Managers' tendency to rational decision making
8. Break Information silos

### Comparison of barriers to implementation of talent management in literature review with findings of research

In structural barriers, misalignment of the organization's strategy with human resources' strategy, lack of professional managers and specialists at human resources area, lack of cohesive strategy in programs and lack of suitable implementation of programs, Governance of administrative outlook on human resources have been proposed at literature review. Further, Lack of proper implementation of the performance management process under managers' unwillingness to divide staffs to poor, average and high performance staffs and unwillingness to announce staffs' performance difference have been proposed.

### Conclusion

Factors affecting the emergence of talent management and talent management indicated the necessity to move towards the subject. That all organizations that want to survive in today's dynamic economy requires talent management is moving toward. Although the talent management issues in companies such as Group Saipa, Iran Khodro Industrial Group but not fully implemented. This study pathology in addition to talent management in the automotive industry to identify barriers to implementing talent management, success factors as well as the solution to overcome some of the barriers identified, investigated. According to research, interview as the method of data collection, and analysis of qualitative data, coding and content analysis

approach was conducted. After data analysis and classification categories, were extracted conceptual model which contains two main "barriers to implementing talent management" and "talent management success factors" are. The main barriers to implementing talent management in the automotive industry into four groups: structural barriers such as lack human resource systems, lack of competency model is not aligned with the organization's strategy and organizational strategies and human resource strategies, such as sovereignty policy on government agencies and outside pressure for managerial occupations and employment, management and support of government instability and the lack of serious competition, such as the mental and cognitive biases and behavioral barriers, cultural barriers and resistance to change managers and the management challenges and obstacles such as lack of belief, the commitment of senior managers support talent management processes, governance, strategic perspective to relations in the appointment and lack of human resources were allocated. Finally, barriers to implementation and talent management success factors in the literature were compared with the findings. In this way, by identifying obstacles facing the implementation of talent management can help with the success factors are identified, strategies to eliminate or minimize barriers, step to implement talent management complete withdrawal.

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