

Overcoming Talent Shortage through Impact Sourcing

(Mengatasi Kekurangan Bakat melalui Penyumberan Berimpak)

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ABSTRACT

The purpose of this study is to understand the use of impact sourcing strategy to overcome talent shortage issues in global business services (GBS) firms located in Malaysia and Sri Lanka. These countries were selected because of their potential development in impact sourcing. This study uses qualitative research approach with two selected case studies of GBS firms with impact sourcing operations. The selected GBS firms involved in impact sourcing of their finance and accounting processes to marginalized communities in Malaysia and Sri Lanka. Findings show that the impact sourcing is used as a strategy to overcome talent shortage issues faced by GBS firms. At the same time, it contributes to income generation with world class work experiences among the marginalized communities. Practically, this opportunities are better gained with high firm's readiness towards working closely with the marginalized communities in mitigating the talent shortage issues. Theoretically, this study provides empirical evidence of global talent management in the context of impact sourcing in GBS firms. It further contributes to the literatures in impact sourcing of accounting activities in Malaysia and Sri Lanka that reach out young talents from marginalized communities at the universities and those in the rural areas.

Keywords: Impact sourcing; talent; South East Asia; global business services

ABSTRAK

Tujuan kajian ini adalah untuk memahami pelaksanaan penyumberan berimpak sebagai salah satu strategi untuk mengurangkan isu kekurangan bakat dalam firma perkhidmatan perniagaan global (Global Business Services atau GBS) yang beroperasi di Malaysia dan Sri Lanka. Negara-negara ini dipilih kerana berpotensi dalam pembangunan penyumberan luar berimpak. Kajian ini menggunakan pendekatan penyelidikan kualitatif dan melibatkan dua kajian kes terpilih firma GBS yang melaksanakan penyumberan luar berimpak. Firma-firma GBS yang terpilih ini melaksanakan penyumberan luar berimpak bagi perkhidmatan kewangan dan perakaunan ke atas komuniti terpinggir di Malaysia dan Sri Lanka. Penemuan menunjukkan bahawa penyumberan luar berimpak digunakan sebagai strategi untuk mengatasi masalah pengurusan bakat yang dihadapi oleh firma GBS. Pada masa yang sama, ia menyumbang kepada penjanaan pendapatan melalui pengalaman kerja bertaraf dunia di kalangan masyarakat terpinggir. Secara praktis, faedah penyumberan luar berimpak ini adalah lebih jelas jika firma lebih bersedia untuk bekerjasama dengan komuniti terpinggir dalam usaha untuk mengurangkan isu berkaitan pengurusan bakat. Secara teorinya, kajian ini memberikan bukti empirikal dalam pengurusan bakat di peringkat global dalam konteks penyumberan luar berimpak. Ia juga menyumbang kepada kajian literatur dalam penyumberan luar berimpak perkhidmatan perakaunan di Malaysia dan Sri Lanka yang menggunakan bakat di kalangan generasi muda dari masyarakat terpinggir di universiti dan kawasan luar bandar.

Kata kunci: Penyumberan Berimpak, bakat; Asia Tenggara; perkhidmatan perniagaan global

INTRODUCTION

Recently, the Global Business Services (GBS) firms were making significant progress in pulling multiple functions under one organizational roof. GBS are designed to capture additional value through savings from lower cost resources in different locations throughout the world and value derived from access to higher skilled labor (implied at lower costs/economically feasible costs) (Huber &

Danino 2012). GBS is an integration of services that include Information and Communication Technology (ICT), Finance and Accounting (F&A), Human Resources (HR), and Engineering Design and Services. The rise of GBS model brings multiple Finance and Accounting (F&A) processes shared in multi-function, multi-region, multi-source and multi-business (Deloitte 2013). Nearly 80 percent of large organizations have used an internal GBS concept for parts of their back office operation. Many

large organizations find that both internal captive GBS ultimately will play a role in improving and transforming F&A operations (Deloitte 2013). They have adopted new F&A delivery models in driving the performance of the organization. F&A GBS value chain covers important processes in finance and accounting cycles. This includes procure to pay, order to cash, record to report and financial planning and analytics. Each processes often includes digital infrastructure, technology and analytics with lean approach to encourage transformation and innovation.

The GBS phenomenon has gained increasing importance and attention in both theory and practice. When virtually any F&A activities can be sourced around the globe, only firms that provide unique value will survive. The ability to attract and retain people with valuable skills is vital for GBS firms seeking to reduce risks and stay competitive. However, many GBS firms lack the capability to handle these problems appropriately. It is due to the challenges of identifying the right talent for the transformed finance strategy and processes. Although continual advances in technologies and communications infrastructure allow GBS firms to gain access to pools of F&A talent at locations across the globe that were previously inaccessible, most of the firms have not invested in the vision and infrastructures to support talent optimization that is in line with F&A strategy and processes (Kelly OCG 2013). Hence, GBS continues to struggle to effectively manage their talent to ensure sustainable business outcomes. Our previous researches in F&A Shared Service and Outsourcing (SSO) and GBS (Aman et al. 2018; Aman & Ramly, 2015; Aman et al. 2012; Aman & Risman 2012; Nicholson & Aman 2012; Aman & Nicholson 2008) have alerted us to the emerging issues related to the attrition and the need of talent development.

Impact sourcing (ImS) is an emerging sub-field of global business services. It is a new way of recruiting talent while benefiting the social impact. ImS is defined as an outsourcing practice which focuses on creating employment, hiring and providing training of information technology, business process or other digitally enabled services to marginalized individuals who have few opportunities for good employment (Monitor Group 2011). The prospects for ImS are very promising especially in South East Asia that includes Malaysia, Sri Lanka and Philippines. As reported in Avasant (2012), almost 251,000 people in India are currently working in this industry. Of the 835,000 employees in India's BPO industry, approximately 77,000 are classified as ImS sector workers.

A good talent management strategy is crucial to overcome shortage of talent in GBS industry. ImS could be an alternative business process service delivery model that could assist GBS firms in overcoming talent shortage issues by providing quality and cost at parity with traditional BPO services with untapped talent pool. This paper attempts to understand the use of ImS to overcome talent shortage issues in global business services (GBS) firms. The research

questions are: What are the challenges faced by GBS firms in managing talent and how could ImS mitigate those challenges? This study provides case studies on GBS firms that operate F&A services across Malaysia and Sri Lanka and use ImS to mitigate talent shortage issues. Following this section are the sections on literature review and conceptual framework, methodology, findings and analysis as well as discussion and conclusion.

LITERATURE REVIEW

GBS model has changed the way F&A functions operates by changing the basic principles of ownership and governance (Aman et al. 2018, 2012). There are several levels of service delivery that can be included in an F&A functions. First level is more specialized on transaction-based accounting processes. Second level focuses more on analytical thinking such as critical thinking skills, enterprise thinking, and judgment in decision making. Third level are tasks that are non-recurring or less frequently than transaction-based processes and it is usually occur on a less routine or sometimes on an ad hoc basis. Examples of these include budgeting and planning, which may occur quarterly or annually, and financial planning and analysis, which may occur on an ad hoc basis depending on the item being analyzed. The impact of F&A transformation contributes to new processes, talent and technologies in order to achieve the desired objective of GBS firms (Aman et al. 2018). Global growth and diversity have also brought a complex mix of challenges in building their own talent.

Previous studies thus far have not yet achieved consensus on how GBS firms might do to effectively build their own talent (McDonnell et al. 2010). A recent survey by Chartered Institute of Personnel and Development (CIPD) in 2010 claimed that paradoxically UK organizations are engaged in talent management activities to build their talent in an ad hoc nature. The strategic challenges were more severe for managing young professionals and managers in emerging markets (Tymon, Stumpf & Doh 2010). Often, there have not been enough qualified candidates to meet the demand for talent during periods of economic expansion and corporate growth in these emerging markets. Besides that, F&A GBS experience high annual attrition rates which has reached up to 30-45% since 2006. Most firms currently experience a tough time to manage their talent in the future to survive and sustain competitive advantage due to social, economic and geographical evolution.

Alternatively, ImS provides a new avenue of recruitment opportunities supported with the provision of basic computer training and work-related skills. It offers huge untapped talent resources available in rural and remote areas at a lower cost while ensuring some social value creation. In addition, firms could benefit from efficiency and quality work from dedicated employee as the underprivileged youth and women in the rural area

are eager to get a respectable source of income which will be reflected in their performance (Madon & Sharanappa 2013). Ismail and Aman (2018) highlighted a study by Kennedy et al. (2013) that identifies 20 countries that have desirable characteristics for ImS. It includes business environment, Base of Pyramid (BoP) characteristics, education, labor force and Business Process outsourcing (BPO) industry characteristics. Malaysia, Sri Lanka and Philippines are seen as having the best potential for expansion of ImS in the future. India, Kenya, South Africa, Ghana, Uganda, Nigeria, Cambodia, Vietnam had already established ImS presence (Ismail & Aman 2018).

One of the strategies of ImS is to create employment opportunities for marginalized group living in areas of poor employment opportunities (The Monitor Group 2011). It offers a 'win-win strategy' (Falck & Heblich 2007) for the outsourcing service providers and clients in terms of offering lower costs because of employing marginalized individuals with relatively low operational cost. Although that marginalized individuals have limited education and without prior work experience, they can be trained to perform outsourced tasks with can improve their income and skills (Avasant 2012; The Monitor Group 2011). However, there are little discussion on talent management and ImS in GBS industry. Few practitioners report (The Monitor Group 2011; Avasant 2012) highlighted some recruitment and training approach for ImS. The approaches include: broaden their recruiting strategy, improve the onboard process of disadvantaged workers, increase their probability of identifying appropriate, trainable resources, decrease attrition or increase retention, leverage existing tools for recruitment and training of ImS employees and enhance their mentoring program to account for higher need individuals. Previous studies on ImS have focused on enablers and constraints of ImS (Ismail & Aman 2018), criteria desirable for ImS development (Ismail et al. 2018), and the success of particular ImS initiatives in selected location (Sundeeep & Ravishankar 2016; Malik, Nicholson & Madon 2016; Carmel, Lacity & Doty 2014; Madon & Sharanappa 2013, Lacity, Camel & Rottman 2011) but have not yet provide empirical understanding on how ImS could overcome issues of talent shortage in GBS firms.

SUGGESTED CONCEPTUAL FRAMEWORK

Collings (2014) suggested global talent management (GTM) framework to understand challenges and opportunities in talent management. Vaiman, Scullion and Collings (2012) defined GTM as an organizational initiatives that contributed in attracting, selecting, developing, and retaining the best employees in the most important roles worldwide. Previous researchers have identified the core process of GTM; talent planning, talent acquisition, talent development, and talent shortage (Scullion et al.

2010; Tarique & Schuler 2010; Stahl et al. 2007; Schuler 1992). Khilji, Tarique and Schuler (2015) suggested macro GTM which incorporates macro environment, talent management process and talent management outcome. The macro environment takes into consideration global and intense competition at organizational and national levels, dynamic population in terms of aging and increasing young population in developing countries. They suggested that talent management process should include the core functions of GTM, which are talent planning, talent acquisition, talent development, and talent shortage. This is considered as part of the GTM processes because of these functions. Talent management process should also include the importance of talent flow, knowledge spillovers and learning in carrying out the basic core functions of GTM. Khilji et al. (2015) also emphasized upon GTM outcomes, which predominantly relate to economic development, competitiveness and innovation at the firm and national levels.

Based on the idea of macro GTM by Khilji et al. (2012), this study suggested a conceptual framework in order to understand how ImS could overcome talent issues faced by the GBS firms. The framework is useful as it provides understanding on the complexities of talent management (TM) issues in GBS beyond an individual and organizational. For the purpose of this study, the suggested conceptual framework will only look into the core function of talent management process – talent identification (including planning and acquisition), talent development and talent retention. Table 1 below summarizes the suggested conceptual framework for this study that include issues in each of the TM components: talent identification, talent development and talent retention and how ImS could overcome issues on talent shortage.

Talent identification is one the most crucial components of TM practice (McDonnell et al. 2010). According to Brown and Hesketh (2004), firms seem to be raising their expectations as to what characterizes the threshold of entry for their employees. Firms are looking for talent who can add value to their workforces immediately (Brown & Hesketh 2004). In identifying talent, firms need to have a clear set of characteristics or attributes which consist of behavioral aspects, skills, competence and cognitive capability (Brown & Hesketh 2004). Huselid, Beatty and Becker (2009) highlighted that finding workers with the competencies they needed to perform a wide variety of jobs at the wage rates offered is challenging. Schuler et al. (2011) suggested firms to be more attractive by developing an employee value proposition to attract the required talent. In the case of Aegies BPO ImS in South Africa, Aegis sought ways to engage with rural community by establishing partnerships with organizations that could help to source and train the South Africa's large population of disadvantaged youth (Everest Group 2012). According to Schuler et al. (2011), this strategy can also reduce the need for the firm to provide training and development programs in order to develop the competencies.

TABLE 1. Suggested conceptual framework

Talent Management	Issues faced by GBS firms	How ImS overcome issues
Talent Identification	High expectations of GBS firms on the threshold for entry level positions	Establish partnership with organization that could source and train the rural community
Talent Development	Lack of intention to stay among employees Lack of talent development package including coaching, training and mentoring	Training and development of talent is vital. Employer-led training programs is useful
Talent Retention	Monotonous Work Limited Career Development Poaching of staff by competitors	Provide similar internal training process as other new hires Performance incentive bonuses Remuneration aligned to that of their new hires whilst performing similar tasks.

Talent development focus on strategic business objectives and individuals' talent needs. Iles and Preece (2006) stressed on individual, teamwork and social practices as important factors in talent development. Some of the challenges in talent development include lack of intention to stay and lack of talent development package. Talent development should not only focusing on organizational requirements, but should also converge with individual needs of talent (Iles & Preece 2006). Chami-Malaeb and Garavan (2013) stated that well developed talent development package lead to affective commitment and intention to stay. There are various strategies to develop human capital such as coaching, training and mentoring. Byham et al. (2002) recommended that a company should carefully and clearly define the characteristics of its talent, then only development strategies could be successfully carried out. Training and development in talent is equally important in ImS. For example, the team in Aegis BPO realized that training were the most vital but also the most difficult aspects of ImS. They partnered with specialist agencies (such as Maharishi Institute) and leverage the Monyetla Work Readiness Programme. It is a South African government initiative that seeks to promote employer-led training programs to include disadvantaged individuals into entry-level labor force to access impact workers (Everest Group 2012).

Talent retention is the biggest challenge faced by firms across industries and region (Stahl et al. 2007). Hughes and Rog (2008) argued that retaining talent will enable companies to build its strategic competitive advantage by maintaining a source of competent talent pipeline. High attrition level of staff in India F&A GBS firms, monotonous work and limited career development could contribute to the potential for opportunistic poaching of staff by competitors (Nicholson & Aman 2012). Even though competitive remuneration has the potential to retain talent, monetary incentives, they are not the only decisional factors for employees to stay (Stahl et al. 2007). An attractive value proposition is said to be more imperative than financial rewards (Michaels et al. 2001). Thus, it is not enough just to offer financial rewards as a mean to retain talented employees. Besides training and

development, career development and succession planning programme (Nicholson & Aman 2012) are also crucial. In the case of Aegis BPO ImS, once the company hires an impact worker, that employee follows the same internal training process as other new hires, and is paid whilst in the programme a stipend with performance related incentive bonuses. They receives a remuneration aligned to that of their new hires whilst performing similar tasks (Everest Group 2012).

METHODOLOGY

This study focuses on GBS firms with F&A processes in South East Asia Region particularly in Malaysia and Sri Lanka. These countries were selected because of their ImS potential in the future.

In the case for Malaysia, ImS is not about helping the poor but about bringing jobs to the market. It is because, majorities of workforce are distributed across Tier 2 and Tier 3 cities and are not currently actively engaged in the workforce (Ismail & Aman 2018). Sri Lanka, on the other hand, has the potential to develop distinctive remote/rural services offerings especially with the development of distinctive capabilities in a number of niches such as open source, cloud apps and mobile technologies (CGMA 2014). Table 2 provides case background of the selected GBS (*name of the firms are disguised*) firms that perform ImS in Malaysia and Sri Lanka.

This study use qualitative research approach in order to gain understanding on how ImS model could overcome talent shortage issues in GBS industry. Qualitative research is often used to understand current issue and phenomenon. Data was gathered over 24 months period from January 2016 to January 2018. Data are collected mainly through interviews, focus group discussion, documentation and direct observation to allow triangulation of data. Focus group include representatives of corporate management and professional bodies as well as related individuals in each GBS firms. Interviews include sessions with managing directors, senior managers and HR executives in selected

TABLE 2. ImScase background

	ImS Malaysia	ImS Sri Lanka
No of Employees	100	200
Services involved in ImS	Picture & Video Analytics	Data Entry / Invoice Processing
Location of ImS project / Marginalized Group	Students / Youth at Local University	Youth at Rural Area

GBS firms in Malaysia and Sri Lanka (See Table 3). Respondents also includes students and youth who are involved in ImS. They are part of talent in the GBS firms who were hired through ImS project. They are referred to as ImS worker in the case. A total of 23.7 hours of interviews and focus group discussions were conducted. Interviews and focus groups were held at the firms'

office. During the company visit, notes were taken from the observation and related documents were reviewed. Questions for interview and focus group discussion covers issues related to talent and how to attract, retain and develop talent in ImS. Interviews and focus group discussions were recorded, transcribed and analyzed according to the priori theoretical framework.

TABLE 3. Interview details

Firm	Respondents Code	Interviewee Position	Minutes
ImS Malaysia	R1	Managing Director	120
	R2	Senior Manager	60
	R3	ImSWorker 1	60
	R4	ImSWorker 2	60
	R5	Focus Group 1: 3 part time ImSworkers	120
ImS Sri Lanka	R1	Head of F&A SSO	120
	R2	Head of HR	120
	R3	Focus Group 2: Operation	90
	R4	Focus Group 3: Operation	90
	R5	Focus Group 4: Operation	90
	R6	Focus Group 5: Operation	90
	R7	Rural Sourcing Partner	40
Total Hours			16 hrs 20 mins

FINDINGS & DISCUSSION

Findings show that there are issues faced by the ImS service providers with regards to talent and how ImS was used to overcome those issues. This section elaborates the findings based on the macro global talent management framework (Khilji et al. 2015) which includes talent identification, talent development and talent retention. Table 4 summarizes the findings.

TALENT IDENTIFICATION

Skills Requirement As indicated by Brown and Hesketh (2004), firms need to have a clear set of characteristics or attributes which consist of behavioral aspects, skills, competence and cognitive capability for talent identification. One of the challenges faced in talent identification for ImS is diverse population in rural area and identifying the skills and abilities of the talent

TABLE 4. Summary of findings

	Issues faced by GBS firms	Ways to Mitigate the Issues
Talent identification	Skills Requirement	Job Placement Strategy Social Media Advertisement Determine Entry Level Requirement
Talent development	Outsourcing Activities Performance Assessment Technology & Infrastructure	Chunkification Requires Specific Training Document Management Systems Improve Infrastructure – Internet Software Skills Training
Talent retention	Young talent Rewards and Incentive	Create New Knowledge Learning / Employability Opportunity Incentive Based Payment System Profit Sharing Scheme

required. For example ImS Sri Lanka often look for talents who are in their early 20s since the cost of hiring these group of talent is much cheaper compared to the elder generation who requires higher pay due to their family and other commitment. As highlighted by Huselid et al. (2009), finding the right workers with the right competencies is challenging.

Similarly, ImS Malaysia prefer to hire students or youth at the universities who have basic skills to perform the ImS job. The firm uses website to advertise their jobs. Although the web advertising limits the potential of the service providers to reach the local market, it does in certain extent able to reach the young of disadvantaged communities as most of teenagers communicate through social media such as facebook and blog. However, most ImS candidates feel uncomfortable to apply for the job as they feel incompetent in English since most of the jobs are advertised in English. One of the respondents in Malaysia comments: *"I wanted to take some of the jobs they offered but when I found the instructions were in English, that put me off"*. (R5, ImS Malaysia). This issue could be explained by the fact that although English is taught throughout the eleven years of schooling in Malaysia, English is only their second language and the rural environment may not encourage them to use English as their daily language. However, job scope for these talent are generally transactional, thus English is not the main requirement for doing the job. For example, the entry requirement for Sri Lanka ImS will be either O level or A level accounting. This explained why firms need to have a clear set of characteristics or attributes when identifying talent (Brown & Hesketh 2004).

TALENT DEVELOPMENT

Outsourcing Activities Another issue faced by the ImS firms in Sri Lanka was that some of the talent from different centres are reluctant to take more challenging work due to their unfamiliarity with the job. However, there are also talents that are willing to learn anything. This is very much depends on the individual capabilities and strengths. The findings shows that identifying relevant outsourcing activities to be passed to the rural areas requires proper planning and training. There are few factors that need to be considered. In general, the work are transactional in nature which are less vulnerable to errors with sound internal control systems. For example, the work are related to basic F&A transactions which includes invoice entry and verification. However, firms are moving forward with more critical functions such as bank reconciliations. This is due to the ability for these ImS workers to use SAP system. This was mentioned by the CEO of GBS firms that perform ImS in Sri Lanka: *"In the beginning, it can still be looked as less critical functions, less vulnerable to errors, human transactional, good system controls, like invoice verification. Right now we are using SAP because you know that they are so good"*

(R5, ImS Sri Lanka). The division of processes or activities into smaller chunks or "chunkification" could overcome the issues of what should be outsourced to the rural talent (Herath & Kishore 2009; Nicholson & Aman 2008, Aron et al. 2005). The business processes could be evaluated based on the division of activities.

Performance Assessment With most of the F&A transactional process are being channeled to the rural centres, monitoring the output and their productivity are critical. According to one of the respondent in ImS Sri Lanka, on average, 40,000 transactions of invoices processing per month was handled by the rural centres. One of the method that was being implemented to assess their performance is through the implementation of document management systems. Through this systems, firms can monitor the output and productivity of the rural centres in relation to the task that was being channeled to them. At the same time, a quality audit was conducted too. Through these exercise, firms will be able to identify the level of quality for each rural centres. As mentioned by one of the respondent: *"...and with that, we know each person productivity, what they are doing. We have quality audit team... we know the quality of the job done."* (R1, ImS Sri Lanka). Previous researches confirmed that performance assessment can be a key ingredient to successful global talent management initiatives, especially to retain and motivate employees (Schuler et al. 2011; Varma, Budhwar & Denisi 2008)

Technology & Infrastructure The use of latest software or technology in F&A processes such as SAP and document management system require strong internet connections as internet are the backbone of the ImS activities. Generally, Malaysia and Sri Lanka have good ICT infrastructure, which augurs well for the development of ImS. Nevertheless, there are times when internet connection is down and effect the ImS work. This was stressed by one of the respondents in Malaysia: *"Enabling infrastructure is not an issue, we have good ICT infrastructure ... but there was a day when we came to do work, there is no internet. It was a waste of time for us waiting for almost a day but the internet was not available."* (R3, ImS Malaysia). Similar issues were faced by ImS Sri Lanka. As mentioned by one of the respondent in ImS Sri Lanka: *"...we have kind of good (internet) connection, but sometimes there are some kind of disturbance since it is in the rural area."* (R1, ImS Sri Lanka). In addition, training on technical systems as well as basic and personal development trainings should be in place. As highlighted by one of the respondents in Malaysia: *"We need proper training on the software and the related system to do the work. At the moment, we just learn from our senior on how to key in the data before produce report. It is more like hands-on training."* (R4, ImS Malaysia). Training and development especially in work processes are as crucial as the availability of ICT and internet in order to ensure sustainability of ImS (Ismail et al. 2018). The lack of availability of computers, internet and smart phones at home has emerged as a

restrictive technology conversion factor in ImS (Malik et al. 2013).

TALENT RETENTION

Young Talent Currently GBS firms in Sri Lanka and Malaysia are experiencing a 15% to 25% attrition level per annum. This is due to the fact that most of younger employees are working in GBS as a stepping stone in their career ladder. Most of them stay in GBS between three to five years before looking for a better job. As explained by Khilji et al. (2015), the young population are increasing in the developing countries like Sri Lanka and Malaysia, thus it effect the attrition rate. Since most of the rural talent are young and IT savvy, they are eager to learn new things with new technology. According to one of the respondent, the young people are mostly eager to learn new things: *“Keep the work fresh so that we can keep them learning. What you find among young people today, is that they value knowledge. So, they really value learning, getting exposed to new SAP functions ...”* (R2, ImS Sri Lanka). The F&A basic transactional work being outsourced are considered mundane that contribute to high attrition rate. However, by continuously providing new task and new function for them to handle, it enabled them to learn new things and new processes rather than doing village work (Malik et al. 2013). As highlighted by the respondent: *“It’s a job opportunity and learning in SAP. They are able to earn more than they work in the village. Other than being main breadmaker in the family... they going to explore through world class processes.”* (R1, ImS Sri Lanka).

Similarly, in the case of ImS Malaysia, the ImS workers value the learning and employability opportunity. Those who are involved in the part time ImS work during their studies at university explains how the work benefited them in terms of getting internship and work placement after graduation. One of them mentioned: *“I got my internship with Sime Darby Global Shared Services. My work is almost similar to the work I did in ImS. My experience working with ImS project help me to perform better during my internship.”* (R3, ImS Malaysia). In addition, the work they did for ImS has helped them to improve their understanding in class or lecture. She explains: *“We learn in the project about GST (Good & Service Tax), it was easier when we took ACCA paper on Tax, as we are already familiar with GST.”* (R5, ImS Malaysia). Ismail and Aman (2018) and Malik et al. (2013) agreed that ImS contribute to financial and technological empowerment. This study further highlights knowledge empowerment felt by the participants as their knowledge improved through ImS activities that indirectly attract them to stay longer in the firm.

Rewards & Incentives Even though, the performance of ImS centers are at the average of 99.94%, GBS firms need to ensure that these centers continuously improving their work processes to maintain their performance level. According to one of the respondents in ImS Sri Lanka,

factors that affected their performance are the rewards and incentives: *“They are incentivized based on the F&A transactions they processed ... so they are actually incentivized to do more. They are experienced staffs here.”* (R1, ImS Sri Lanka). Similarly, respondents in ImS Malaysia agreed that they need to know about the payment structure before starting work as this brings motivation and commitment. She explained: *“Before we start the job we need to know how is the salary will be like ... we really want to know how much we will get for our effort ... Whether it is based by hour or by the number of company profiles that we completed. The pay structure must be fair and encouraging...”* (R3, ImS Malaysia). An attractive value proposition is said to be more imperative than financial rewards (Michaels, Hanfield-Jones & Axelford 2001). However, in the case of ImS in Malaysia, respondents are more concern about the pay as financial rewards are the main motivation for them to get involved in the ImS project. Thus, an attractive salary structure should be good enough to retain talented employees.

Findings show that GBS firms in Sri Lanka offers shares to their ImS worker. For example, each of the workers own shares of the centres and they will get incentives in form of dividends based on their performance of the work done and also based on every transactions that they processed. So in all, this initiative of the rural BPO is a win-win agenda. At the same time, the rural operators are also gaining not only experience in handling world class processes but also improved their business acumen. These centres will get dividends based on the number of F&A transactions that they have processed. *“Once you get the permission to promote the job to friends, the project suddenly stop ... because they said there was a problem with their client. At that time, students were already excited to work because of the salary rate had increased to RM6 per hour. Only a month later they started with the video analytic job.”* (R5, ImS Malaysia). These findings provide further evidence that competitive remuneration and monetary incentives are important could be the decisional factors for employees to stay in ImS projects (Stahl 2007).

CONCLUSION & IMPLICATION

In general, this paper attempts to explore the concept of ImS along with its challenges and incentives to overcome talent shortage issues in GBS industry. Findings show that some of the issues are related to talent management, which include the identification of skills requirement, outsourcing activities, performance assessment, young talent, reward and incentives. In order to overcome these issues, GBS firms should take into consideration ImS delivery model. Findings indicate that job placement strategy, ‘chunkification’ or splitting up of separate parts of outsourcing activities, training and development, the use of technology and incentives are some of the important strategies in managing talent especially in ImS. As a conclusion, the ImS initiatives has created

huge opportunities for marginalized communities such as the villagers and their family as well as graduates at universities who have high risks of unemployment.

Managerial implications can be two-fold. First, it could be a strategy to overcome talent shortage issues faced by GBS firms. Second, it could improve income generation among rural villagers and increased employability among students by providing world class working experience. However, these opportunities are better gained with high firm's readiness towards working closely with the marginalized communities. This study provides insights into ImS especially in mitigating talent shortage issues in GBS industry. As the GBS industry expands, the needs for talent becomes critical. ImS can become an alternative for overcoming talent shortage issues. Nevertheless, firms should be aware that the process of identification, development and retaining talent should be the same as their human resource internal process.

Theoretical implications include the understanding on macro global talent management by Khilji et al. (2015). This study provides empirical evidence of macro global talent management in the context of ImS and GBS industry. The findings extended Khilji et al. (2015) framework in each components of talent management; talent identification, talent development and talent retention. Specifically, ImS still requires the process of talent identification in which skills requirement are identified clearly. The process of talent development should be based on the type of work being outsourced, while the process of talent retention should consider rewards, training and other incentives. At the same time, this paper extends current literatures in ImS (Ismail & Aman 2018; Ismail et al. 2018), thus contributes to the understanding of ImS development in South East Asia by reaching out young talent in the rural area and at the universities in order to solve talent shortage in GBS industry.

Future work may include studies in other aspects of ImS such as choosing the right partner or location for ImS. This study uses selected GBS firms located in South East Asia and the findings may be confined to their limited resources. Future studies may deal with other firms and may obtain different issues that may influence the process of managing global talent through ImS.

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