
A STUDY ON TALENTS SWITCHING CAREER FROM MNCs TO STARTUPS

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Abstract: Organizations should have an effective retention plan to keep the talented employees. This article presents a holistic view of talent migration from corporate world to new businesses and self-projects. It also includes major reasons behind this migration and how it impacts on companies day to day activities.

In the present competitive world scenario opportunities are more for talented people, wide choice for career development and growth, employees are inclined to move from one organization to another or for their own startups. MNCs are facing the problem of talented employee's migration towards startups. MNCs spends a lot of effort, time and money on employee's retention because losing a talented employee proves to be costly in the form of lost knowledge, coordination linkage and cost factor. There is a huge employee's movement from established companies to startups, mainly because of the value proposition that they get offered in terms of pay-package, roles and responsibilities and future career graph.

Keywords: Talents switching, Younger generation, Talented people, Startups.

Introduction: India is famous for its younger generation and talented people, it's in 2nd largest position in world's total population. India is a developing economy and it's having quality of human resource in all the fields. In present era most of the MNCs have their branches in India and running their business successfully with the help of younger, knowledgeable and talented candidates of India. Even though India is not a developed country, outsiders are very much dependent on Indian people. This shows that India is a place for knowledge powerhouse and favorable economy for the investors. In earlier day's migration of educated people towards foreign countries are more because of less opportunities in India. After introduction of globalization policy in India, made all businesses open for foreign investments and involvements in operations have made lot of impact on Indian market conditions and created new opportunities. Plenty of MNCs started their businesses in India. Thus it resulted in increased growth rate of Indian economy and plenty of employment opportunities were created. People have got many options for their career. MNCs payout made lot improvement in social and personal life of employees and its increased standard of living of people.

Indian education systems are also improved after arrival of multinational companies. Investments in the education sector made lot of improvements in quality of education and increased level of understanding in the minds of learners. Education system made learners to think beyond the boundaries which resulted new innovations and inventions in different fields. Thus it resulted in extracting talent from people and provided an opportunity to grow and develop his or her career.

MNCs hires people with intention of holding them for longer duration and use his talent for the growth of business and company. Companies provides many opportunities to employees to increase his or her

skills with their training and skills improvement programs. These training activates for improvement of employees standard will costs heavily for the organization. If an employee stays for longer duration in the company, company will regain the investment which is made for training in the name of profit. If employee migrates for other company in short run will make this investment as waste. Thus this article purely concentrate on various reasons which provokes talented employee to switch from MNCs to startups and how it impacts on MNCs.

Talents Switching Their Career: In present global environment opportunities are more in all the field. People always looks for something new. Talented people never sit idle, they will be doing one or the other task to grow in industry and to earn money. Talented people those who are working in MNCs always looks for next level in their career path. But, in few situations for longer duration there will be no support from management and there is no promotion or progression for them. It may be because companies financial situation, performance, workforce management and other human factors. These factors will provoke workers to change their career. Few people will be having strong desire to start their own enterprise and few will switch their career only because of work culture of MNCs. Companies invest on every employee from day1, for this investment they have to get something in return. If talented people are moving out company, it will impact on its business operations and profits.

Reasons For Talents Switching Career: Career switching has been alternatively defined as any major change in work-role requirements or work context (Nicholson, 1984; Brett, 1984; Latack, 1984) and as a process that may result in a change of job, profession, or a change in one's orientation to work while continuing in the same job (Louis, 1980, Hall, 1976; Ashforth, 2001).

There is a huge employee's movement from established companies to startups, mainly because of the value proposition that they get offered in terms of pay-package, roles and responsibilities and future career graph.

Below are the few real-time causes for career transition:

1. Responsibility, accountability, impact and Politics: In large organization responsibilities are more and you have to provide all the details as and when requested from superiors. He will be blamed for his team's mistake. In present days in companies we can see politics in promotion, progressions, onsite travel opportunities and other benefits. This will make employee to look for other field to grow quickly.
2. Innovative Ideas and support from global investors: In recent days there are many businesses coming up. It's helping people in their day today life. Many startup businesses are started by people who are earlier working in MNCs. These startups are getting support from global investors and they help in setting up businesses.
3. Decision making powers: there will be less opportunity take decisions. In MNCs every actions has to go for different levels of approval. Individual cannot take decision instantly.
4. Slow Career growth: In MNCs employees have to wait for years for promotion and career growth. Growth rates are very less and it's a slow process. Person will be recognized very rarely but whereas in startups people will value your suggestions and each achievements will make you to grow quickly.
5. Similar nature work for longer duration: MNCs have their own policy for the promotion and progressions. In few circumstances they cannot provide any opportunity for its present workers. Their role will be same for longer duration. It will make employees stagnant. It will also impact on their performance. Due to this similar work, employees feel that there is no growth for them in this organization.
6. Leadership and ownership: at a MNCs and giant employed companies people need to wait years and years to become a true leader with big ownership. But in startups entire things are different. If you are splendid worker, you will be able to grow and move up in your career far faster. Mark Zuckerberg would never been given an opportunity to CEO role at a big company if he started working for a company after his graduation. The only way he could find himself at the top of an organization is by starting it, or in the general case by joining a super small team. Your career will be accelerated in a major way by joining a startup. In startups employees will get stock options even though they are bottom line

workers whereas in MNCs those who are working in higher band level like, CEO, CFO, COO and VP positions only will get stock option.

7. Transparency: startups have far more transparency than big companies. Internal people will be knowing why the CEO decided to raise a new round of funding, or why a VP of marketing was hired, or why the company decided to open a new arm of business, or how the CEO did the recent round of investment. There will always be information that isn't shared, though, for example salaries and equity compensation, certain board meeting information, and certain sensitive investor information. But in general every other decision made about the company will be transparent. People will get to see how the company grows, why certain decisions were made, and how the company reacts to competitors and business plan changes. All of this will teach you about business and prepare you to do your own startup one day.
8. Company culture: in recent years, there is lot of changes in work culture. Earlier it was 6 days working in a week, now its 5 days. Now people have option for work from home, work from client site etc. Few companies have shift wise working and additional benefit for employees working in night shift and also pickup and drop facility to work location. Employees are much dependent on these facilities, if an organization is not ready to provide such facilities people will look for alternative career. Preferably they look for startups because there is lot of flexibility for workers.
9. Government supporting for new entrepreneurs and enthusiasts in the name of Make in India project. It is also one of the reason for talents switching their career to own business.

Impacts On MNC's Due To Talents Switching Their Career: Talented employees are back bone of every organization. If there is no talented people in organization is like sea without fish. Talent management is a biggest task for Human resource team of every organization. Entire business is depending on workers. It is very much essential to make them satisfied. If an employee is not satisfied with his job, he will look for alternative. People those who are in bottom levels are the revenue generators, because they indulge in client's solutions and working on clients requirements. Managers and Team leads are the people looking out activities done by the bottom level employees. If an talented manager or a team lead moves out of company, it will impact on day to day business process, because he will be knowing what exactly the client requirements and his team members performance. It will create gap between client and working team. Again the

recruitment and training process for the new employee will cost heavily for the organization and it will take lot of time to produce profitable output from the new lead. Clients are not at all bothered about employees. They only expect their project work has to be completed within the stipulated time as per their procedure. If an organization failed to provide quality service to its client will lead to cancellation of service agreement and loss of business. Talents move out will impact badly on companies performance and profits.

Conclusions: In spite of increased globalization and changing trade and industry times, most of the companies are now working hard to retain talented

workers who are expecting more from their organization and can willingly shift if their desires are not met. If an organization and efficient HR team succeeds in managing its people well, there will be reduction in talents switching their job. It is high time organizations realize that each employee is valuable and with time their added experience makes them even more valuable. Retaining tactics are an economical way of enhancing work place output and winning employees emotionally. Efficient and talented employees keep the quality in work and business operations. It will help in smooth run of business along with cost saving in the longer run.

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