

A Study of Talent Management as a Strategic Tool for the Organization in Selected Indian IT Companies

Anupam Rani¹* Dr. Upasna Joshi²

1. Dev Samaj College for Women, Sector 45-B, Chandigarh.
2. Punjabi University Regional Centre for IT & Management, Mohali.

* E-mail: anuuupam@yahoo.com

Abstract

Over the past decade there has been a glut of management literature around the topic of talent management. The challenge of effective talent management to support business growth has been consistently identified as a top priority among global CEOs. While the phrase "Talent Management" is relatively new as a concept, however as a management focus it has always been at the core of strategic HRM. Strategic HRM performs an enabling and investment management role for organizations. The HR leader as champion for organizational human resource management excellence is tasked with the primary responsibility of leading and strategizing comprehensive efforts to attract, develop, engage and retain a workforce that is competent to support strategy and strategic management efforts. Talent management systems and processes need to be integrated into the total HRM system of the organization. Traditional roles of HRM such as recruitment, training, performance management and compensation need to be aligned to support the achievement of talent management goals such as talent turnover, employee engagement, succession pipeline ratios, etc. This article addresses how recruitment and selection, a traditional function of HRM needs to be managed in an organizational context that has a focus on talent management. Expressed from a strategic business perspective, "Talent management may be defined as a core sub-system of an organization's strategic management system, to develop a human resource asset base that is capable to support current and future organizational growth directions and objectives".

Talent management may be described as comprising three key components:-

- Talent Identification
- Talent Development -Internal and external talent development
- Talent Engagement, motivation and retention

Keywords: Key words, Infosys, Tech Mahindra

1. Introduction

Talent management refers to the process of developing and integrating new workers, developing and retaining current workers, and attracting highly skilled workers to work for a company. Talent management in this context does not refer to the management of entertainers. The term was coined by David Watkins of Soft cape published in an article in 1998. The process of attracting and retaining profitable employees, as it is increasingly more competitive between firms and of strategic importance has come to be known as "the war for talent."

Talent management is a process that emerged in the 1990s and continues to be adopted, as more companies come to realize that their employees' talents and skills drive their business success. Companies that have put into practice talent management have done so to solve an employee retention problem. The issue with many companies today is that their organizations put tremendous effort into attracting employees to their company, but spend little time into retaining and developing

talent. A talent management system must be worked into the business strategy and implemented in daily processes throughout the company as a whole. It cannot be left solely to the human resources department to attract and retain employees, but rather must be practiced at all levels of the organization. The business strategy must include responsibilities for line managers to develop the skills of their immediate subordinates. Divisions within the company should be openly sharing information with other departments in order for employees to gain knowledge of the overall organizational objectives.

In current economic conditions, many companies have felt the need to cut expenses. This should be the ideal environment to execute a talent management system as a means of optimizing the performance of each employee and the organization. However, within many companies the concept of human capital management has just begun to develop. In fact, only 5 percent of organizations say they have a clear talent management strategy and operational programs in place today."

To develop a clear talent management strategy and to increase awareness of available talent and successors, all organizations should conduct regular Talent Review meetings to be prepared for a variety of business changes, such as mergers, company growth, or a decrease in talent needs. In the same way that all companies have regular meetings and reports regarding their financial status and budgetary needs, the Talent Review meeting is designed to review the current talent status and future successor needs in the organization.

2. Literature Review

A detailed survey of the concerned literature has been carried out based on various journals, reviews concerned magazines and internet and presented below:

Any Organization needs to have a vision and a well defined strategy on hiring for the future. We should have the right talent to attract and retain the best available talent for which a number of measures for talent management are required. [KARTHIKEYAN,2007]. Emphasis has been paid on initiatives that can be put in place to help organization to retain and nurture the talent [PANDIT, 2007]. The fundamental aspects about the definitions of human recourses have been discussed and planning of new models has been discussed. The need to disband the conventional school of thoughts about organizational behavior has been advocated and a new approach has been suggested for HR [ANANDARAM,2007. The Strategic Development of Talent by William J. Rothwell "Rothwell ignites the imagination, expands the possibilities, and offers practical strategies any organisation can use to effectively develop, retain and utilise talent for the benefit of an organisation and enter the fluid, flexible future. Managers at all levels will cheer the sanity Rothwell suggests." The Talent Management Handbook: Creating Organizational Excellence by Identifying, Developing, and Promoting Your Best People by Lance A. Berger" This is an outstanding reference work that succinctly explains a simple and practical approach to the identification, assessment and management of talent in the current, dynamic operating business environment. The book plainly gives advice on how to avoid high staff turnover, poor morale, and poor performance."

2.1 Newsletter

Sriiddar S Preetham (July 2007),Managing talent, HRD Newsletter,vol23 issue -4

2.2 Journals

KARTHIKEYAN J (May 2007),Talent management strategies, NHRD journal,Hyderabad,p23-26

Organization need to have a vision and a well defined strategy on hiring for the future. Do we have the right talent within to attract and retain the best available talent? A number of measures for talent management are Suggested..... PANDIT Y V L (May 2007), Talent retention strategies in a competitive environment,

Focusing on the challenge of attracting and retaining talent faced by Indian HR managers, the article outlines initiative that can be put in place to help organization retain nurture and retain the talent

"A conscious, deliberate approach undertaken to attract, develop and retain people with the aptitude and abilities to meet current and future organizational need" Patricia K. Zingheim, Jay R. Schuster, and Marvin G. Dertien(2009) in their study on Compensation, Reward and Retention Practices in Fast-Growth Companies show that during rapid growth, executive leaders are willing and able to make changes to adapt to different challenges and opportunities as they move from startup to sustained growth.

3. Research Methodology

3.1 Objective of the Study

- The primary goal of this Project was to determine contribution of the talent management as a strategic tools for the organization.
- To accomplish this, a systems framework as the optimal strategic lens through which to understand and influence talent management toward optimal business outcomes.
- To compare the talent management processes of the selected IT organizations.
- To determine empirically the relationship between strategic talent management & talent issues like retention.

3.2 Scope of the Study

In the recent days, the HR Department of any organization is vested with the responsibility of managing the Talent in addition to its conventional function of providing good human capital to an organization. In order to perform this function, they use the following methods viz.,

Identifying the Talent which is required

Right Selection of the Talent

Implementing competitive compensation plans

Training and continual development of Competencies

Practicing state-of-the-art performance appraisal systems

Aligning the acquired Talent

Developing and nurturing the Talent, and

Retaining the Talent

3.3 Hypothesis

The hypotheses for this project are:

H₁: There exists a relation between talent management strategies and talent retention.

H₂: There exists a positive relationship between effect of Strategic Talent Management and talent retention.

3.4 Research Design

The research design indicates the type of research methodology under taken to collect the information for the study. Both descriptive and analytical type of research design will be used. The main objective of using descriptive research is to describe the state of affairs as it exists at present. It mainly involves surveys and fact finding enquiries of different kinds. Analytical research is designed to

analyze the existing facts from the data collected from the respondents.

3.5 Tools and Techniques

Data has been analyzed using various statistical tools to study the relationship between the two variables. Tools such as mean, median, correlation, Analysis of Variance (ANOVA) and other appropriate tools have been used to analyze the data.

4. Data Analysis & Interpretation

4.1 Introduction

The data has been analyzed using SPSS version 16. Two companies in and around Chandigarh, belonging to the Telecom industry were chosen and the data analysis has been performed separately for the companies as well as taken together depending on the test or analysis to be performed.

4.2 Demographic Composition of Sample

The number of usable filled-in questionnaires was 55 with the following company wise break-up.

Company	Usable Questionnaires
Infosys	30
Tech. Mahindra	25
Total	55

Age wise break-up: Though the sampling technique used in this research was random sampling, but it may still somewhat reflect the composition of the total population. We can observe from the table that most of the respondents of organizations are less than 35 years. See Table No 1

Experience wise break-up: From the table we can observe that there is a mix of fresher's and experienced employees. See Table No 2

4.3 Analysis of Basic Descriptive Statistics

We have calculated various important descriptive statistics and segregated them for different companies.

4.4 Infosys

In infosys we observe that the mean value varies from 1.6-2.7. The skewness is negative for factors of talent retention and compensation which indicates that majority of the values lie above the mean for these factors. See Table No 3

4.5 Tech Mmahindra

In the descriptive statistics we observe that the value for mean is greater for Tech.Mahindra as compared to Infosys Here we also observe that the skewness value is positive for factors of compensation. That indicates that the most of the values lie below the mean. See Table No 4

4.6 Infosys

*.Correlation is significant at the 0.05 level (2- tailed).

**. Correlation is significant at the 0.01 level (2-tailed).

The first and most important aspect of the above table is the value of correlation coefficient between the mean of talent retention values and mean of compensation factors. The value here is -0.186 which shows negative correlation between the two variables. We observe that the mean of talent retention and compensation, both share high degree of correlation with all their respective factors. See Table No 7

4.7 Tech Mahindra

**. Correlation is significant at the 0.01 level (2- tailed).

*. Correlation is significant at the 0.05 level (2- tailed).

Correlation coefficient between the two main variables here is positive but moderate at .401 as the coefficient. The corresponding factors of the two variables are also positively correlated to the main variables which are towards moderate degree of correlation. See Table No 8

5. Findings

Most of the covered companies have talent specific initiative in place and they give them top priority in their organization. They also have exclusive staff member for managing talent initiatives

In most of the companies the talent is identified by competencies and the HR professional view to increase career growth opportunity.

More than 60% of the respondent view organizational culture as a main driving force for the new talent and for the existing talent. Even rewarding plays an important role (48%) Base pay (57%) and Job security (52%) are the two main areas for retaining talent in coming years. Other than this, training plays an important role in motivating the employee.

Organizations are using certification for improving the training programs.

Most of the employees have a clear knowledge about the company's vision, mission and objectives. And they know how to achieve these objectives

Most of the respondent are satisfied by job description, salary review, health care benefits etc.

Base pay and Job security are in top priority for the employees in coming years

6. Conclusion

As organizations continue to pursue high performance and improved results through TM practices, they are taking a holistic approach to talent management-from attracting and selecting wisely, to retaining and developing leaders, to placing employees in positions of greatest impact. Meeting this organizational supply and demand requires the right "Talent DNA" and supporting technology solutions. By implementing an effective talent management strategy, including integrated data, processes, and analytics, organizations can help ensure that the right people are in the right place at the right time, as well as organizational readiness for the future.

Reference

Andrea C. Poe (March 2001), Six Ways to Mine Teen Talent, Society for Human Resource

Carol Chetkovich (July 2001), Winning the Best and Brightest: Increasing the Attraction of Public Service, The PricewaterhouseCoopers Endowment for The Business of Government.

Attracting and Keeping The Best and the Brightest (2002), Survey Results From Council for Excellence in Government Principals on How to Get, Develop and Retain Excellent People in Government Service, Council for Excellence in Government.

Spherion® Emerging Workforce® Study (2002- 2003), Spherion Pacific Enterprises LLC,

Donna J. Bear (2004), Flexible Work Arrangements: The Demand Will Only Strengthen, Human Resource Institute, .

Barbara McIntosh, Ph.D. Society (2004), Attracting and Retaining the Mature Workforce.

Ruth Kanter, Phillip L. Ackerman ,(2004), Development And Work Motivation, Academy Of Management Review.

Staying Ahead of the Curve (2004) Employer Best Practices for Mature Workers," Study Conducted for AARP by Mercer Human Resource Consulting, September 2004.

TABLE NO. 1

name of the organization	Infosys	27	3	0	0	30
	Tech.Mahind	12	8	3	2	25
	Total	39	11	3	2	55

TABLE NO. 2

name of the organization	Infosys	0	3	21	6	0	30
	Tech.Mahindra						
Total		1	8	8	6	2	25

INFOSYS TABLE NO. 3

	Statistic	Minimum			Std. Deviation						Std. Error
TR1	30	2.33	3.00	2.7778	.18222	.033	.050	.427	-.699		.833
TR2	30	1.45	2.09	1.7303	.18413	.034	.245	.427	-.850		.833
EBmean	30	1.17	2.17	1.6889	.24264	.059	-.391	.427	.070		.833
CEmean											
ERmean	30	1.00	2.17	1.8167	.26023	.068	-.871	.427	1.850		.833
SBmean											
TRmean											
Compmean	30	1.33	2.00	1.7370	.17381	.030	-.091	.427	-.169		.833
Valid N											

TECH MAHINDRA TABLE NO. 4

	Statistic	Minimum	Maximum		Std. Deviation	Variance					Std. Error
TR1	25	1.67	3.33	2.4533	.46027	.212	.214	.464	-.483		.902
TR2	25	2.00	3.00	2.3236	.24489	.060	1.291	.464	2.167		.902
EBmean	25	1.83	3.33	2.5267	.34251	.117	.297	.464	.563		.902
CEmean											
ERmean	25	1.67	2.83	2.3333	.32984	.109	-.014	.464	-.488		.902
SBmean											
TRmean											
Compmean	25	1.89	3.11	2.4889	.34096	.116	.209	.464	-.856		.902
Valid N											
								.464	-1.164		.902

TABLE NO. 5

		TR1	TR2	EBmean	CEmean	ERmean	SBmean	TRmean	Compmean
TR1	Pearson								
	Correlation	1	-.042	.419**	.040	.027	-.171	.688	.165
	Sig. (2-tailed)	.828		.021	.832	.888	.367	.000	.382
	N	30	30	30	30	30	30	30	30
TR2	Pearson								
	Correlation	-.042	1	-.294	-.500**	.015	-.028	.696**	-.419**
	Sig. (2-tailed)	.828		.115	.005	.938	.885	.000	.021
	N	30	30	30	30	30	30	30	30
EBmean	Pearson								
	Correlation	.419**	-.294	1	.385**	.325	-.427**	0.88	.634**
	Sig. (2-tailed)	.021	.115		.035	.080	.019	.646	.000
	N	30	30	30	30	30	30	30	30
CEmean	Pearson								
	Correlation	.040	-.500**	.385**	1	.154	-.087	-.334	.724**
	Sig. (2-tailed)	.832	.005	.035		.417	.648	.071	.000
	N	30	30	30	30	30	30	30	30
ERmean	Pearson								
	Correlation	.027	.015	.325	.154	1	.006	.030	.602**
	Sig. (2-tailed)	.888	.938	.080	.417		.975	.874	.000
	N	30	30	30	30	30	30	30	30
SBmean	Pearson								
	Correlation	-.171	-.028	-.427**	-.087	.006	1	-.143	.176
	Sig. (2-tailed)	.367	.885	.019	.648	.975		.451	.353
	N	30	30	30	30	30	30	30	30
TRmean	Pearson								
	Correlation	.688**	.696**	.088	-.334	.030	-.143	1	-.186
	Sig. (2-tailed)	.000	.000	.646	.071	.874	.451		.326
	N	30	30	30	30	30	30	30	30
Compmean	Pearson								
	Correlation	.165	-.419**	.634**	.742**	.602**	.176	-.186	1

Sig. (2-tailed)	.382	.021	.000	.000	.000	.353	.326	
N	30	30	30	30	30	30	30	30

TABLE NO. 6

		TR1	TR2	EBmean	CEmean	ERmean	SBmean	TRmean	Compmean
TR1	Pearson Correlation	1	.056	.052	.372	.004	.011	.889**	.197
	Sig. (2-tailed)		.792	.804	.067	.985	.957	.000	.345
	N	25	25	25		25	25	25	25
TR2	Pearson Correlation	.056	1	.216	.269	.017	.440	.507**	.504**
	Sig. (2-tailed)	.792		.299	.194	.935	.028	.010	.010
	N	25	25	25	25	25	25	25	25
EBmean	Pearson Correlation	.052	.216	1	.096	-.354	.021	.145	.353
	Sig. (2-tailed)	.804	.299		.647	.082	.920	.491	.084
	N	25	25	25	25	25	25	25	25
CEmean	Pearson Correlation	.372	.269	.096	1	-.096	.157	.445**	.541**
	Sig. (2-tailed)	.067	.194	.647		.648	.454	.026	.005
	N	25	25	25	25	25	25	25	25
ERmean	Person Correlation	.004	.017	.354	.096	1	.064	.011	.292
	Sig. (2-tailed)	.985	.935	.082	.648		.761	.957	.157
	N	25	25	25	25	25	25	25	25
SBmean	Pearson Correlation	.011	.440**	.021	.157	.064	1	.212	.739**
	Sig. (2-tailed)	.957	.028	.920	.454	.761		.309	.000
	N	25	25	25	25	25	25	25	25
TRmean	Pearson Correlation	.889**	.507**	.145	.445	.011	.212	1	.401**
	Sig. (2-tailed)	.000	.010	.491	.026	.957	.309		.047
	N	25	25	25	25	25	25	25	25
Compmean	Pearson Correlation	.197	.504**	.353	.541	.292	.739	.401	1
	Sig. (2-tailed)	.345	.010	.084	.005	.157	.000	.047	
	N	25	25	25	25	25	25	25	25

This academic article was published by The International Institute for Science, Technology and Education (IISTE). The IISTE is a pioneer in the Open Access Publishing service based in the U.S. and Europe. The aim of the institute is Accelerating Global Knowledge Sharing.

More information about the publisher can be found in the IISTE's homepage:

<http://www.iiste.org>

The IISTE is currently hosting more than 30 peer-reviewed academic journals and collaborating with academic institutions around the world. **Prospective authors of IISTE journals can find the submission instruction on the following page:**

<http://www.iiste.org/Journals/>

The IISTE editorial team promises to review and publish all the qualified submissions in a fast manner. All the journals articles are available online to the readers all over the world without financial, legal, or technical barriers other than those inseparable from gaining access to the internet itself. Printed version of the journals is also available upon request of readers and authors.

IISTE Knowledge Sharing Partners

EBSCO, Index Copernicus, Ulrich's Periodicals Directory, JournalTOCS, PKP Open Archives Harvester, Bielefeld Academic Search Engine, Elektronische Zeitschriftenbibliothek EZB, Open J-Gate, OCLC WorldCat, Universe Digital Library, NewJour, Google Scholar

