

A Study on The Factors Leading to Implementation of Talent Management Practices in Information Technology Companies



HRM

KEYWORDS : Talent management, Information Technology companies, Chennai, NASSCOM, Leading factors.

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ABSTRACT

In the knowledge era, employees form the core of an overall organizational value. Identifying and retaining the top performers and helping them grow in their careers is a major challenge. Aligning employee productivity to the business objectives is yet another challenge before every organization. The study is an attempt to reveal the factors that led to implementation of Talent Management practices in Information Technology companies. To achieve the objectives of the study, five companies were selected based on the employers rank list for the year 2010 - 2011 announced by National Association of Software and Services Companies (NASSCOM). A total of 552 employees working in five corporate companies namely Tata Consultancy Services Limited, Infosys Technologies Limited, Cognizant Technology Solutions India Private Limited, HCL Technologies Limited and Tech Limited were selected for the study. Employees working in each corporate are selected in random manner. Friedman's test for k-related samples was applied to study the significance of various factors leads to the implementation of Talent Management in Information Technology companies at Chennai city.

INTRODUCTION

Employees in India immigrate to different countries such as America, Russia, Canada, Europe and other destinations like Australia in search of high paying employments. Immigration is due to various reasons such as a change in the employee's present employment, deputation, personal reasons, financial reasons, seizing opportunities, gaining global exposure etc.

In the recent years, the rate of migration among skilled and talented Indian workforce has increased considerably. Needless to say, the alarming trend naturally leads to the talent depletion in India. In absolute terms, India is among the few countries that lose most highly-skilled workers to foreign markets in the last few decades. India is one among the top supplier of capable human resource to the world market. The country also plays a pivotal role in creating manpower suitable for global organizations.

Information industry is a knowledge-intensive industry and it requires highly knowledgeable and skilled workforce. The better the knowledge level of the employees, better it is for the organizations. Employees form the critical assets of Information Technology organizations and they are the Intellectual capital of an organization. No wonder, talented people steer the organizational performance and growth and also create great value for the organization through their quality contributions. Organizations devise strategies every year to retain their valuable employees. The objective of the study is to reveal the factors that lead to the implementation of Talent Management practices in Information Technology companies at Chennai city.

LITERATURE REVIEW

Reed Consulting (2008), in their research report on employee Attrition has presented a different perspective which highlighted the disparity between the factors that employers assume and those factors that actually caused employees to leave the job.

According to Leena James (2012) India's people advantage has been one of the prime reasons for the burgeoning growth of the IT/ITES sector. The study reveals that there are two types of employee turnover, namely functional and dysfunctional. Dysfunctional turnover is the situation in which productive and potential employees leave the organization. On the other hand when poor performers leave, it is said to be functional turnover. According to available studies, a minimum of eight weeks is required to replace the right talent due to dysfunctional turnover and needless to say, the lead-in period invariably affects productivity and performance of the organization.

Steve Williams and Nina E. Woodard, (2008) of SHRM India carried out a research among Indian corporate companies to determine how they deal with war for talent. Steve and Nina's article presents an account of proactive and innovative Talent Management strategies developed by Indian corporations.

Research of Zabeda Abdul Hamid et al (2011) was based on the

interview among the selected HR practitioners of six Malaysian companies. The research explored Talent Management practices particularly on the implementation and the effect of the practices on employee engagement and retention. The researchers found that Talent Management was considered as the organizational strategy to retain employees. The strategy involved the human resource activities such as recruitment, selection, training and development and performance management. The study confirmed that engagement and retention of talented employees is a must for the success and enhanced performance of an organization. In the highly competitive business climate, having the right employees is the only way to ensure organizational success. It is expected that the development and implementation of Talent Management strategy would bring benefits to the organization and its employees.

The Study of Wardah Azimah Sumardi et al. (2011) investigated the implementation of Talent Management strategies in the Malaysian Telecom sector. The research highlighted that the Talent Management process at Telekom Malaysia Berhad is divided into four stages including Talent spotting, Talent assessment, Formulation of individual development plan, and Readiness level assessment. The study found that there is a shift in the HR profession from being a mere personnel management to strategic human resource management. The study pinpointed that on the job experiences, relationships and networking, feedback and formal training are some of the avenues available for employee development in the Malaysian Telecom Sector.

RESEARCH METHODOLOGY

The research design is empirical in nature since the study is conducted using both analytical and descriptive type of research. The research consists of data collected from both quantitative survey and qualitative interviews. To achieve the objectives of the study, five companies were selected based on the employers rank list for the year 2010 - 2011 announced by National Association of Software and Services Companies (NASSCOM). A total of 552 employees working in five corporate companies namely Tata Consultancy Services Limited, Infosys Technologies Limited, Cognizant Technology Solutions India Private Limited, HCL Technologies Limited and Tech Limited were selected for the study. Employees working in each corporate are selected in random manner. The primary data was collected using a structured questionnaire, from the employees of Information Technology (IT) companies located at Chennai city.

ANALYSIS AND INTERPRETATIONS

Various factors lead to implement Talent Management practice in the organizations. Employees of selected Information Technology companies have expressed their opinions regarding the influence of each factor which leads to the implementation of Talent Management practice. To test the relationship Friedman's test for k-related samples was applied.

H₀: All the leading factors play equal role in implementation of

Talent Management practice.

Table 1: Factors leading to implementation of Talent Management practice

Leading Factors	Mean Rank	Chi square value
Better Talent Management for better organization result	7.97	66.860** (p<.001)
For maximizing organizational effectiveness and efficiency	8.18	
For long term viability of business	7.56	
Anticipated changes in skills for future leaders	7.70	
Organisation's desire to manage internal talent effectively	7.52	
Change in the management structure	8.07	
To increase retention of internal talent	7.91	
Demographic shift	8.29	
Geographical expansion	8.35	
To reduce cost of business	7.83	
For diverse employee management	8.62	
Entry into new markets	7.52	
Business re-alignment	7.63	
Change in competitive landscape requiring new skills, knowledge, behaviours	8.07	
Need to change organizational culture	8.78	

**** Significant at 1% level**

Source: Primary Data

The result in the table1, shows that the null hypothesis H_0 is rejected at 1% level. All the factors do not play equal role in implementation of Talent Management practice in Information Technology companies.

Further the mean ranks in the table 1 shows clearly that "Need to change organizational culture", "diverse employee management" and "Geographical expansion" are the factors that influence the most in implementation of Talent Management practice. "Organisation's desire to manage internal talent effectively", "Entry into new markets" and "For long term viability of business" are the factors that influence the least in implantation of Talent Management practice in Information Technology companies at Chennai city.

CONCLUSION

The principal factor that contributes to the success and sustainability of corporates depends on managing, developing and retaining the critical resource known as Human Capital. The headcount of manpower does not guarantee the quality of work. Developing economy emphasizes that availability of right talent in an organisation is advantageous than any other available material resources. Chief possession for Talent Management decreases the risk of misalignment with business strategy and it requires engagement of top management including CEO of the organisation. CEO and top management should recognize the innovative ideas of talented employees that provide the competitive edge to the business. This can be done by investing substantial time in finding answers for the following questions.

- Ø Why their organization needs a Talent Management strategy?
- Ø How organizational and Talent Management goals should be outlined?
- Ø How to identify the metrics to measure success?
- Ø How to bring together full support from all leaders?

Talent is available at all levels of an organization and Talent Management strategy must embrace the breadth and depth of the company. Talent programs should start with identifying the critical positions in an organization and then the right people to fill these positions. Management practices to analyze their level of alignment with the mission, vision, objectives of the business and strategy of the organisation. The corporate revenue depends on the strong emphasis and alignment with overall professional aims. Tailor-made Talent Management may be required by the software companies to match their strategic objectives and requirements. When devising Talent Management programs, it is recommended that organisations should parallelly assess the key positions and roles which help them to make a difference with their competitors

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