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**“A DESCRIPTIVE STUDY OF UNDERSTANDING TALENT
MANAGEMENT PRACTICES FOR MANAGING TODAY’S GLOBAL
WORKFORCE AND IN**

Abstract:

This study is intended to understand the significance and benefits of Talent Management Practices and the extent of its application in Large Scale IT companies.

This paper commences with exploring the concept of Talent Management and its various dimensions, existing Talent Management Practices in IT Industries, how Talent Management process Aligned to Business Goals and how Talent can lead to increase the business competitiveness. The study further analyze the the process of talent assessment and tracking in the organization.

The role of researcher here intends to identify the various key drivers for Talent Management and to find out the Financial benefits of Talent Management. This research paper indicates a starting point for organisations to develop a “talent mindset”, to ensure there is an agreed and understood definition of Talent/ Talent Management and why it is an important focus for the business.

Since its conception, a number of researches have been carried out on Talent Management, most of them in United States of America. A visible research gap exists in the area of identification and measurement of drivers for Talent Management and its impact on business. This points out the relative importance of this concept and hence the need for research on the same in the Indian context as well.

Keywords:

Talent Management, Key Drivers, Business Competitiveness

JEL Classification: J24

1. Background of the study

This section explores the concept of Talent Management and its various dimensions

1.1 What is Talent Management?

In the broadest sense, Talent Management has been described as “a deliberate and ongoing process that systematically identifies, assesses, develops and retains talent to meet current and future business needs and objectives.” Talent Management begins as soon as recruiters identify potential hires and continues throughout a person’s tenure as an employee of the hiring organization.

1.2 The Need of Talent Management

William J. Rothwell, in his article “Replacement planning: a starting point for succession planning and Talent Management”, *International Journal of Training and Development* 15:1 ISSN 1360-3736 says, despite growing interest, however, some organizations are ill-prepared emergency succession of the CEO (Anon., 2009). That is all the more troubling because, according to some experts, the cost of replacing a key person can be as much as 24 times the person’s annual salary (Miller, 2005).

1.3 Why do employers need to develop a Talent Management strategy?

First, talent and leadership continue to be scarce. Fewer qualified workers and leaders are entering the workforce to replace aging workers and leaders who are leaving to retire.

Secondly, Talent of the 20th century need to be rethought to keep pace with the reality of a rapidly changing 21st century business environment.

1.4 Is Talent Management an objective or a journey?

Much like a company’s commitment to provide world-class service to its clients, effective Talent Management is far more than a business goal or objective with a beginning, middle, and end.

1.5 Current Researches on Talent Management

According to Wikipedia, the free encyclopedia, Talent Management as a process emerged in the 1900s and continues to be adopted, as more companies come to realize that their employees’ talent and skills drive their business success.

Darin Phillips, “Financial Value of Talent Management”, 2002, observes that companies that want to grow and improve their systems and processes must focus on the people practices that allow or foster that growth and improvement. Talent Management is no longer a cutting –edge field being solely tapped by pioneers. It is a viable path towards improving organizational performance.

Melcrum publishing, 2005, opine that Talent Management is more than next new fad, but has become a strategic imperative, for the hr practitioners.

2. Research Objectives:-

- a. To study the Significance and benefits of Talent Management Practices
- b. To observe & understand the extent of applications of Talent Management Practices in IT Industries.

Secondary Objectives:

- a. To study the aspects of Talent Management
- b. To study the work force challenges faced by IT Companies
- c. To study the Talent Definition process
- d. To study the process of talent assessment and tracking in the organization
- e. To study the process of Career management Practice followed
- f. To study the process of succession planning and execution
- g. To study the process of retention of critical employees
- h. To study the process of Talent Identification
- i. To study the process of Talent Identification
- j. To study the process of monitoring statutory compliances, diversity, vulnerability, quality of processes quality used and the quality of data about people (validity, reliability, differentiation and usefulness)
- k. To study the process Talent Development in the organization.
- l. To study the process Talent Development in the organization
- m. To study the process Workflow and process control.
- n. To study the process of ROI(cost and benefits, effectiveness of Talent Management, improvement in organizational performance, ensuring executive continuity) management practiced.
- o. To understand the Role of knowledge management leading to business intelligence , thereby intelligent acquisition of resources

3. Hypotheses:

Main Hypothesis of the Study:

H₀, Talent Management Practices are practiced in IT industry

H₀, Talent Management Practices are not practiced in IT industry

Sub Hypotheses:

1. **Ho:** The work force Challenges do not exist in IT industries

Ha: The work force Challenges exist in IT industries

2. **Ho:** Roles & Talent requirements are defined in IT industries

Ha: Roles & talent requirements are not defined in IT industries

3. **Ho:** Talent is acknowledged in IT industries

Ha: Talent is not acknowledged in IT industries

4. **Ho:** Assessing and Tracking Talent process is practiced

Ha: Assessing and Tracking Talent process is not practiced

5. **Ho:** Talent Acquisition practices are practiced in IT companies

Ha: Talent Acquisition practices are not practiced in IT companies

6. **Ho:** Career Management: is practiced in IT companies

Ha: Career Management: is not practiced in IT companies

7. **Ho:** Succession Planning: practiced in IT companies

Ha: Succession Planning: not practiced in IT companies

8. **Ho:** Retention Management: practiced in IT companies

Ha: Retention Management: not practiced in IT companies

9. **Ho:** Talent management: practiced in IT companies

Ha: Talent management: not practiced in IT companies

10 **Ho:** Monitoring exposures–ethics, diversity, talent pools vulnerability is practiced in IT Co.

Ha: Monitoring exposure–ethics, diversity, talent pools vulnerability is not practiced in IT Co.

11 **Ho:** Developing Talent: practiced in IT companies

Ha: Developing Talent: not practiced in IT companies

12 **Ho:** Talent Management is tracked in work flow by the managers in IT companies

Ha: Talent Management is not tracked in work flow by the managers in IT companies

13 **Ho:** ROI Management is practiced in IT companies

Ha: ROI Management is not practiced in IT companies

4. Research Methodology:

This is a basic research study that employs a researcher developed survey. The purpose of this study was used to perform the study aiming to describe the concept and characteristics of Talent management processes in IT Industries, its benefits and hurdles, various factors affecting Talent Management , Talent Management metrics and its linkage with corporate strategy in Large Scale IT companies.

In order to accomplish this, a Survey in Randomly selected IT Companies was chosen so that the impact could be documented quantitatively through questionnaire data. Quantitative data was collected by means of sets of questionnaires utilizing a Likert-scale.

The study covers most of the business lines employees including Project & HR Managers of selected IT companies in Pune.

Population: Large Scale IT Industries in Pune Region

Sampling frame: Software companies in software development, services, applications management etc.

Sampling Method: Convenience Sampling

Sample Size: 30 large scale IT Companies in Pune Region

5. Data Analysis and Interpretation:

The data was calculated and analyzed using graphic table for each question in section one.

The questionnaires were sent to 150 business lines employees including Project Managers and HR Managers of 30 large scale IT Companies in Pune Region.

Table 5.1: Is the breakdown of the respondents

Category of Respondents	No of Respondents	Percentage
Project Managers	50	100%
Business line Managers	50	100%
HR Managers	50	100%

The questionnaire includes 28 questions

Table 5.2: The Reliability Table

Questions	Scale Mean if Question Deleted	Scale Variance if Question Deleted	Corrected Question-Total Correlation	Alpha if Question Deleted
Q1	470.3077	5379.3974	0.1562	0.9702
Q2	470.3077	5392.5641	-0.0581	0.9703
Q3	469	5374.6667	0.2421	0.9702
Q4	470.0769	5377.2436	0.0926	0.9703
Q5	469.8462	5375.4744	0.1099	0.9703
Q6	468.6923	5371.7308	0.1389	0.9702
Q7	468.6154	5386.7564	0.0007	0.9705
Q8	468.0769	5380.9103	0.0513	0.9703
Q9	468.4615	5365.9359	0.129	0.9703
Q10	468.5385	5365.2692	0.1424	0.9703
Q11	468.4615	5394.1026	-0.0533	0.9704
Q12	468.9231	5357.2436	0.2015	0.9702
Q13	467.8462	5385.141	0.0393	0.9703

Q14	467.8462	5394.141	-0.0691	0.9704
Q15	468	5363.8333	0.2018	0.9702
Q16	469.3077	5469.0641	-0.416	0.9711
Q17	469.7692	5426.5256	-0.24	0.9707
Q18	469.6154	5424.7564	-0.1881	0.9709
Q19	469.0769	5476.7436	-0.4251	0.9712
Q20	468.3077	5343.8974	0.276	0.9702
Q21	468.6923	5289.0641	0.6415	0.9698
Q22	468.3846	5310.7564	0.5173	0.9699
Q23	468.6923	5284.2308	0.6734	0.9697
Q24	468.5385	5301.7692	0.676	0.9698
Q25	468.6154	5254.4231	0.8109	0.9695
Q26	468	5297.1667	0.5777	0.9698
Q27	468.1538	5247.8077	0.7414	0.9696
Q28	468.0769	5304.0769	0.549	0.9699

The reliability of the questionnaire i.e. the Cronbach alpha = 0.9702

The general rule for Cronbach alpha coefficient is If alpha > 0.9 it's excellent

Hence the Cronbach Alpha & reliability of the questionnaire is excellent.

Calculation of Confidence Interval:

Parameter1: Work Force Challenges

There are 5 questions under 'Work Force Challenges'.

Q1-A) Attracting & Retaining Skilled Professional Workers

The table of frequency for opinions along with it bar diagram is as below.

Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree	Not Attempted	Total
0	1	2	16	10	1	30

The maximum frequency is of opinion 'Agree'.

Here sample proportion,

^

$P = 16/30 = 0.53$, $n = 30$ & $Z_{0.025} = 1.96$

Hence, the 95 % confidence interval for proportion of respondents who are agreeing that there is problem in attracting & retaining skilled professional workers in the population, is given by

$$\left(0.53 - 1.96 \sqrt{\frac{0.53 * (1 - 0.53)}{30}}, 0.53 + 1.96 \sqrt{\frac{0.53 * (1 - 0.53)}{30}} \right)$$

$$\Rightarrow (0.53 - 0.1785, 0.53 + 0.1785)$$

$$\Rightarrow (0.3515, 0.7085)$$

$$\Rightarrow (35\%, 71\%)$$

6. Interpretation, Hypotheses Testing

A Study of Talent Management Practices in IT Industry in Pune Region:

There are 13 parameters which affect Talent Management Practices.

Hypothesis Testing is done using Population Proportions at 95 % confidence

Table 6.1: Main Hypotheses Testing

Sr no	Parameter	Hypothesis H ₀	Hypothesis H _a
1	Work force Challenges	Rejected	Accepted
2	Defining Roles and Talent Requirement	Rejected	Accepted
3	Defining Talent	Accepted	Rejected
4	Assessing and tracking Talent	Rejected	Accepted
5	Talent Acquisition practices	Rejected	Accepted
6	Career Management	Rejected	Accepted

7	Succession Planning	Rejected	Accepted
8	Retention	Rejected	Accepted
9	Talent management	Rejected	Accepted
10	Monitoring exposures - ethics, diversity, Talent Pools vulnerability	Rejected	Accepted
11	Developing Talent	Rejected	Accepted
12	Work flow and Process Control	Rejected	Accepted
13	ROI Management	Rejected	Accepted

Main Hypotheses of the Study:

H₀ : Talent Management Practices practiced are in IT industry

H_a: Talent Management Practices not practiced are in IT industry

From the above analysis we can conclude that out of 13 processes of Talent Management identified in this research, 12 are rendered weak. Hence H_a is accepted and H₀ rejected.

7. Summary of Findings:

Overall the findings can be summarized on the basis of the above tables that Talent are in Nascent stages, and IT companies are just beginning to warm up to the concept of Talent Management.

8. Recommendations:

Based on the results of the survey, the following recommendations are made:

8.1 Defining Roles & Talent Requirements

1. Human Capital should be aligned to Business Strategy
2. There should be consistent Execution and Integration of Talent Programs
3. Competency Mapping should be carried out at Regular Intervals

8.2 Assessing and Tracking Talent

1. Talent Reviews should be conducted regularly
2. Leadership Performance Reviews and Development Activities should be a regular activity
3. Succession Planning should be practised
4. Provide meaningful pay differentiation to high performers

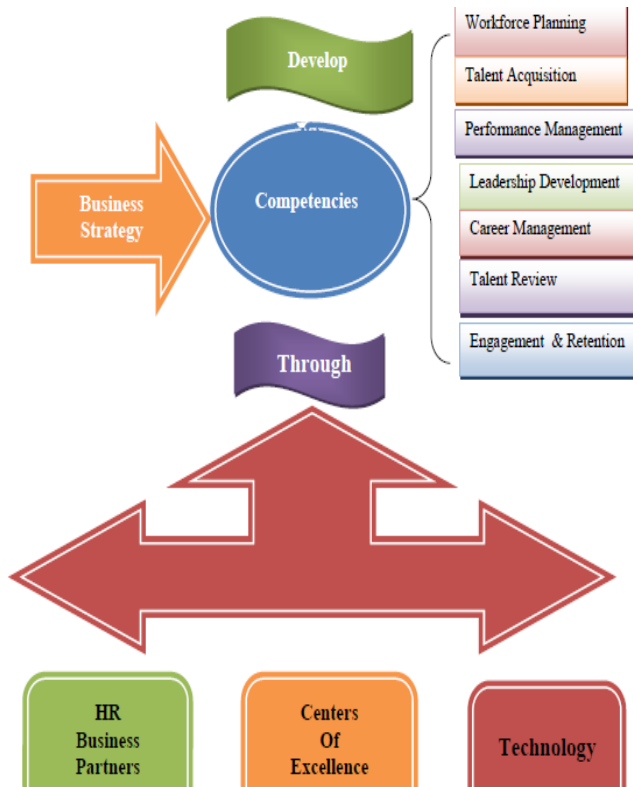
8.3 Talent Acquisition Practices:

1. The companies should practice effective internal job posting process.
2. The companies should Leverage technology in all aspects of recruitment
3. Competency based recruitment Techniques need to be embraced

9. Suggested Talent Management Model

9.1 Rationale of Model

The research findings show that Talent Management Practices are less integrated in IT industries and barring Talent Definition all the Processes are weak and need lot of commitment and effort. Hence, the Talent Management proposed on following rationale:



TALENT=COMPETENCE+COMMITMENT+CONTRIBUTION

Fig 9.1 Template for Talent /Business Strategy Fit

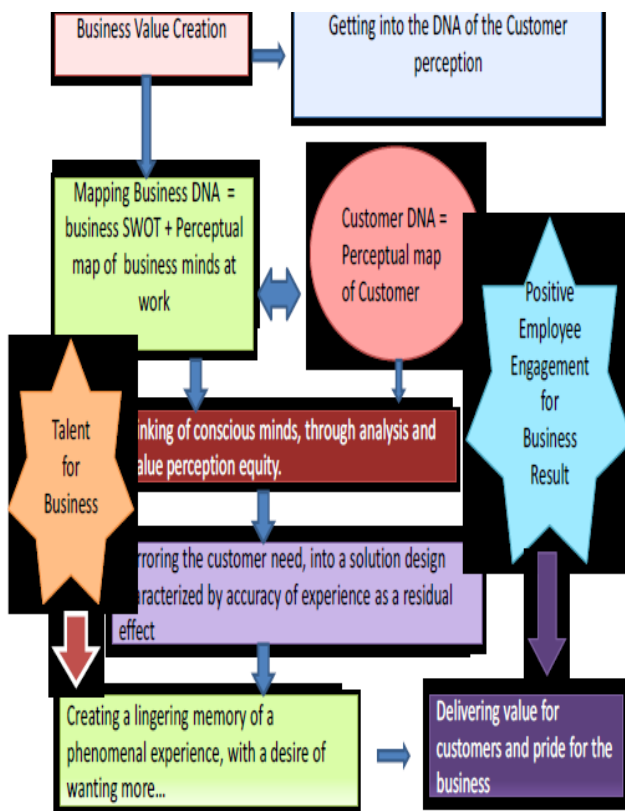


Fig 9.2: The model of business value creation through Talent Management is hence proposed

9. Conclusion

The aim of this research was to gain an insight understanding of how IT organisations approach Talent Management practices. For doing so thirteen Talent Management practices were identified for the study. We need to acknowledge that there are organisations, where there is a need of alignment between the Business, HR and Talent. The findings from this research suggest there are opportunities for organisations to really look at how closely aligned HR, Talent and Business Leaders are in developing Strategic Talent Management Practices, identifying what should be involved, how it is defined and how it should be communicated and implemented in order to develop a “talent mindset”.

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