

## **An Empirical Study on Talent Management Practices in Knowledge Intensive Organizations**

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### **ABSTRACT**

Talent management refers to the skills of attracting highly skilled workers, integrating new workers, and developing and retaining current workers to meet current and future business objectives. To gain competitive advantage in a corporate race and diversity, an important aspect is the talent of human resources of the organizations. Talented employees who are keen about their career growth are constantly monitoring the management opportunities provided by the organizations. The present article explores the level of talent management practices in Indian IT organizations. It is the talents of the employees which makes an organization innovative and compete in the fast changing corporate. The impossibility of building a talent pool overnight along with the itching reality of talent shortage has enhanced the importance of talent management in organizations. The study was conducted among employees in different Information Technology companies in India which have a formal talent management system. The study found that the employees perceive a moderately high level of talent management practices. The talent management is still a challenging aspect for the human resource managers in the 21<sup>st</sup> century, so that this paper aims to review the various strategies for effective talent management and understanding its implications.

**Keywords:** Talent development, Employee Retention

### **1. INTRODUCTION**

In the corporate race and diversity the entire world is well connected due to the advancement in telecommunications and technology. Human resources are the most important assets an organization has and their effective management is the key to its success. Until 20th century, physical assets were the major source of competitive advantage of an organization. But the revolution in information technology, globalization, and knowledge management has driven a new organizational order. In the world of information a noted organizational participant and a key player is a talented worker as they add value to the firm with their knowledge (Lee & Maurer, 1997). Davenport (2013) states that, it is the talented workers have the most influence on our economies and the firm's with highest degree of quality knowledge work tends to be more profitable. Effectively managing talented workers is a challenge to the organization but they have to take keen interest in managing the intellectually talented workforce in order to innovate grow.

### **WHAT IS MANAGEMENT?**

Management is the process of efficiently getting activities completed with & through other people. The management process included the planning, organizing, leading and controlling that takes

place to accomplish objectives. Any definition of management must include three common factors, goals, limited resources and people.

## **WHAT IS HR?**

Human resources are the people who make up the workforce of an organization, business sector, or economy. "Human capital" is sometimes used synonymously with "human resources", although human capital typically refers to a more narrow view. Likewise, other terms sometimes used include "manpower", "talent", "labor", "personnel", or simply "people".

## **WHAT IS TALENT MANAGEMENT?**

Talent management is strategic flow of the organization's it includes mission, vision, values, and goals. This enables every employee to see where he or she fits within the organization. This, in turn, enables employees to participate in the overall direction of the company. From a strategic perspective, an effective talent management system helps crucial employees feel as if they are part of something bigger than their current job.

Talent management has become the most integral part of corporate human resource strategies. Talent management strategies focus on attracting, developing, assessing and retaining the knowledge, skill and abilities of talented workforce leading towards gaining higher business performance. The present business environment is characterized with acute global competition, ever changing technology and the growth of corporate race and diversity .There is a substantial increase in the knowledge jobs in the last few decades and company's dependence on talent has also increased dramatically.

The source of competitive advantage had clearly moved from physical assets to intangible assets such as proprietary intellectual capital, winning brands, and innovative ideas which are underpinned by talented employees. The majority of these physical assets in an organization are easy replicable by a competing organization with sufficient capital, but an organization's highly engaged talent pool is nearly impossible to replicate. Moreover, whatever be the advanced physical assets organizations possess, it is ultimately the people who are going to work on them and create the difference. Winston Churchill predicted that the future empires in a world would be of 'the mind' where knowledge industries are the engines of global growth and there would be battles of minds to dominate the future.

The traditional sources of gaining competitiveness in a corporate race and diversity are losing importance whereas human talent a renewable resource is a resource which cannot be easily copied or stolen by competitors is resulting in the firm's competitive advantage. The differential value created by the talented employee is huge compared to normal employee especially in a knowledge job and it is vital for organizations to get talented employees. As organizations are striving hard to achieve success by gaining competitive advantage in the corporate race and diversity which is one of the most valuable resources which can help their cause are the talented employees.

Along with the growing significance of talented employees, managing these employees has become tougher for organizations. As a panacea for dealing with all these talent-related issues, HR practitioners, and consultants advocate 'talent management' strategy. Talent management that

includes identifying, developing and cultivating of the talented individuals is evolving as a valuable human resource initiative for managing talent. Even though all dimensions of talent management are important, as the emphasis given by talented employees is more on the career growth and development, talent management practices are more important.

## **TALENT MANAGEMENT WORK PROCESSES**

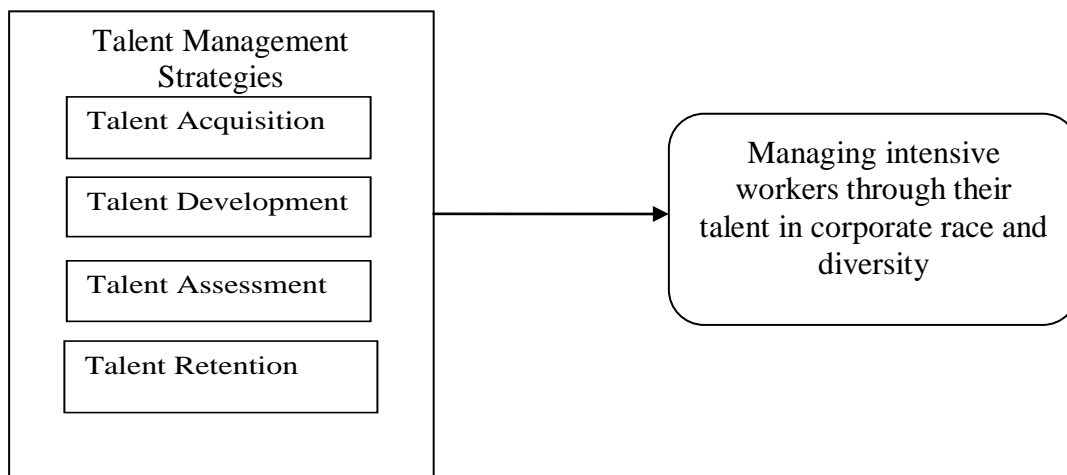
- It provide effective ongoing training and development opportunities for employees that reflect both the employee's and the organization's needs.
- It provides on-going coaching, mentoring, and feedback so the employee feels valued and important.
- Conduct quarterly performance development planning discussions that focus on the employee's interests for career development
- Develop clear job descriptions so you know the skills, abilities, and experience needed from a new employee.
- Design effective compensation and recognition systems that reward people for their contributions. Even if all of the rest of your employment processes are employee-oriented, people still work for money. Employers of choice aim to pay above market for talented employees.
- Select appropriate employees who have superior potential and fit your organization's culture, with an appropriate selection process.
- Negotiate requirements and accomplishment-based performance standards, outcomes, and measures within a performance development planning system.
- Provide promotional and career development opportunities for employees within a system that includes career paths, succession planning, and on-the-job training opportunities.
- Hold exit interviews to understand why a valued employee decided to leave the organization. If the reasons provide information about company systems that you can improve, make the changes that will better retain talented employees.
- Impediments to effective integrated talent management efforts include conflicting priorities, limited resources processes that undervalue integrated talent management.
- Thus, the talent management, when handled strategically, flows from the organization's mission, vision, values, and goals. This enables every employee to see where he or she fits within the organization. From a strategic perspective, an effective talent management system helps crucial employees feel as if they are part of something bigger than their current job

Talent management has been identified as a key strategy for addressing a number of critical Human Resource issues in the Nova Scotia Public Service such as; the aging of the workforce and associated increasing retirement rates, tight labor markets, limited competitiveness, fast-paced changes in work, and the need for a diverse workforce at all levels. Talent management has therefore become a corporate and departmental priority as identified by Deputy Ministers and the Corporate Human Resources Plan.

The implementation of a talent management process that is transparent and equitable is expected to create an environment for people to develop their skills in preparation for a range of future possibilities thereby preparing the workplace for changing roles. The talent management process relies on data provided by employees career development plans and once

implemented, is an annual process that becomes a natural part of doing business. Specifically, the talent management process provides benefits to employees, managers and the organization.

- Employees develop and communicate their career paths
- Managers and senior management develop a greater knowledge of the talent in their organization
- Organizational HR Issues are identified and addressed such as: employee career development, youth and diversity goals and recruitment and retention problems in key roles



## 2. LITERATURE REVIEW

- Talent management has become more decisive because an organization's talent is an important factor which leads a downturn into long term sustainability and success (McDonnell, 2011). The term talent management gained momentum when a group of McKinsey consultants coined the phrase 'the war of Talent' in 1997 (Axelrod, Handfield-Jones, & Michaels, 2002; Michaels, Handfield-Jones, & Axelrod, 2001). Since then Talent management has emerged as one of the key strategic issues facing managers in the twenty first century (Boudreau & Ramstad, 2007; Collings & Mellahi, 2009).
- Talent management, it has been defined as the systematic attraction, identification, development, engagement/ retention and deployment of those individuals with high potential who are of particular value to an organization (Marian, 2016; Davies and Davies 2010). Talent management needs to focus on leadership, workforce and critical tasks (Garrow & Hirsh, 2008). They also state that talent management needs to fit the organizational culture, individual's perspective, organizational perspective, management capability and HR policies.
- McDonnell, 2011 states strategies are the driving force for talent management. Strategic talent management is to assure that a supply of talent is available to align the right people with the right jobs at the right place and time based on strategic business objectives (Nicky Dries, 2013).
- Collings & Mellahi (2009) defines strategic talent management as set of activities involved in the systematic identification of key positions which contribute to organization's

competitive advantage, development of high performing talent pools to fill these roles and to ensure their commitment to the organization.

- Ashton & Morton (2005) state that, talent management is a strategic system which enhances performance at all levels of workforce also helps individuals to reach their potentials. The talent management lifecycle consists of the following talent acquisition, talent development, management and talent assessment (Orlova, Afonin and Voronin, 2015). There is scope for future empirical research in the areas of talent management (Collings and Mellahi 2009; Nicky Dries 2013; Marian et al 2013). The talent management strategies required to effectively manage knowledge workers of the knowledge starts from workforce planning and attracting the potential employees through talent acquisition strategies. Talent acquisition refers to attracting potential talents, sourcing and hiring the talented workforce required for attaining the predetermined business objectives.
- Cappelli (2008) stated that the organization has to strategically think about 'make and buy talent' in order to fulfill the shortfall of talent. Talent acquisition has to analyse both internal mobility of employees and as well as potential external hires for gaining competitive advantage and cost effective strategies. Looking at external candidates as customers can lead to gaining advantage to firms by hiring talented people and also employer branding. The approach of staffing should shift from traditional departmental approach to an organizational wide approach of talent attraction and retention (Lewis & Heckman, 2006). Strategic talent acquisition looks from a proactive approach and segments candidates based on specified talent markets and by geography and functions (Gretczko & Cleary, 2016).
- To attract and engage talented workforce employer branding is playing a key role. Employer branding influences the perception of working experience of current and potential employees (Mandhanya and Shah, 2010). At present organizations are ready to invest more in employee branding programs as it creates a positive image among the public at large. The process of employer branding includes developing an image as an employer and turning the working relationships between organization and potential recruits. Employer branding helps in communicating the employment policies of the organization to the present and future employees and the public at large by creating an image of itself as a distinct employer within and outside the organization (Srivastava and Bhatnagar, 2010). Employer branding also provides for better employee referrals.

The most intriguing idea that emerged in my review of talent management was the success of implementing talent management review meetings. By talking about talented employees and making their knowledge, skills and potential known to other managers in different parts of the organization, the potential use and development of internal talent is magnified for both the organization - and the talented employees.

### **3. RESEARCH METHODOLOGY**

#### **RESEARCH DESIGN**

A research design is the specification of methods and procedures for acquiring the information needed. It is the over-all operational pattern or framework of the project that stipulates what information is to be collected from which sources by what procedures.

## **NEED FOR THE STUDY**

- It helps to measure the talent management practices in Indian IT organizations among employees.
- It helps to determine steps required to improve talent management practices for the benefit of employees.
- The study would help the sector to know talent management practices involving in employee's satisfaction.
- The study attempts to analyze the effectiveness and employee's individual opinion regarding the talent management practices.

## **4. OBJECTIVES OF THE STUDY**

- To study the impact of talent management practices among employees in individual organizations.
- To analyze and understand about the talent management practices and opportunities given to employees.
- To study the talent management practices prevalent in the organizations and provide suggestions to improve talent management practices in organizations.

## **5. METHOD OF DATA COLLECTION**

The data collection begins after a research problem has been defined and research designed out in the way of primary and secondary data. The primary data is collected by the investigator himself for the purpose of specific inquiry or study. The information for this study was directly obtained from the respondents by questionnaire methods as primary source to collect the data. The secondary data are those data which have been already collected and analyzed by some earlier agency for its own use and later the same data are used by a different agency. The empirical study involves a sample of 100 employees selected in Information Technology (IT) companies in India which have a formal talent management system.

## **METHOD OF SAMPLING**

Sampling is essential part for research process. Only a few units of population under the study are considered for analysis and this is called sampling data. It is collected from 75 respondents. The technique of sampling used in this study convenience sampling. Convenience sampling method in which units are selected based on easy access/availability.

## **TOOLS AND TECHNIQUES**

Data Analysis is a process of gathering, modeling and transforming data with the goal of highlighting useful information, suggesting, conclusions and supporting decision-making. In this study the following statistical tools are used, they are Percentage Analysis, Weighted Average, chi-square and Karl Pearson's coefficient of correlation.

**6. ANALYSIS AND INTERPRETATION**

**TABLE .1 GENERAL PROFILE OF THE RESPONDENTS**

<b>Variables</b>	<b>CLASSIFICATION</b>	<b>NO OF RESPONDENTS</b>	<b>PERCENTAGE</b>
<b>Age</b>	BELOW 30	2	2
	31-40	31	31
	41-50	38	38
	ABOVE 50	4	4
<b>Gender</b>	MALE	60	60
	FEMALE	15	15
<b>Educational Qualification</b>	UPTO SCHOOL LEVEL	13	13
	GRADUATES	54	54
	POST GRADUATES	9	9
<b>Family Type</b>	JOINT FAMILY	17	17
	NUCLEAR FAMILY	58	58
<b>Income</b>	<10,000	4	4
	10001-15000	12	12
	15001-20000	20	20
	ABOVE 20000	39	39

Source: Primary Data

The above table shows that Majority (38 percent) of the respondent are in age group of 41 to 50 years, majority (60 percent) of the respondent are male, majority (54 percent) of the respondents had education up to UG, majority (58 percent) of the respondents are from nuclear family and majority (58 percent) of the respondents had annual income above 20000.

**TABLE .2.PERFORMANCE APPRAISAL SYSTEM OF RESPONDENTS**

<b>Factors</b>	<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>	<b>Score</b>	<b>Rank</b>
Team Based	21 (105)	21 (84)	10 (30)	8 (16)	15 (15)	250	3
Behaviour oriented	14 (70)	9 (36)	26 (78)	14 (28)	9 (9)	221	5
Individual Based	29 (145)	15 (60)	16 (48)	7 (14)	7 (7)	274	1
Flexible	13 (65)	20 (80)	17 (51)	18 (36)	7 (7)	239	4
Managing performance throughout year	22 (110)	19 (76)	15 (45)	13 (26)	6 (6)	263	2

Source: Primary Data

From the above analysis it is interpreted that employee’s gets Appraisal based on their individual performance.

**TABLE .3.TALENT MANAGEMENT PRACTICES OF RESPONDENTS**

<b>Factors</b>	<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>	<b>Score</b>	<b>Rank</b>
360 Degree Feedback	9 (45)	17 (68)	13 (39)	22 (44)	14 (14)	210	4
Job Rotation Opportunities	15 (75)	18 (72)	15 (75)	8 (16)	19 (19)	257	2
External and Internal Coaching	27 (135)	16 (64)	9 (27)	10 (20)	13 (13)	259	1
Individual Development Plan	20 (100)	7 (28)	15 (45)	25 (50)	8 (8)	231	3
Mentoring Schemes	4 (20)	17 (68)	23 (69)	10 (20)	21 (21)	198	5

Source: Primary Data

From the above analysis it is interpreted that employee’s gets Talent Management practices by External and Internal Coaching.

**TABLE .4.JOB SATISFACTION OF EMPLOYEE BASED ON SHIFT BASIS**

<b>Period</b>	<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>Score</b>	<b>Rank</b>
Day	32(128)	19(57)	17(34)	7(7)	226	2
Night	20(80)	25(75)	15(30)	15(15)	117	4
Semi-Night	19(76)	20(60)	19(38)	17(17)	191	3
General	31(124)	23(69)	19(38)	2(2)	233	1

Source: Primary Data

From the above analysis it is interpreted that employee’s gets job satisfaction while they were working under general shift.

**TABLE .5: ASSOCIATION BETWEEN EXPERIENCE OF EMPLOYEES AND THEIR PROMOTION**

<b>Experience of Employees (Yrs)</b>	<b>Workload</b>					<b>Total</b>
	<b>Strongly Agree</b>	<b>Agree</b>	<b>Neutral</b>	<b>Disagree</b>	<b>Strongly Disagree</b>	
0-2	1	7	2	1	4	15
2-4	3	2	2	2	1	10
4-6	11	1	1	1	1	15
6-8	2	1	2	5	3	13
Above 10	8	4	4	3	3	22
<b>Total</b>	<b>25</b>	<b>15</b>	<b>11</b>	<b>12</b>	<b>12</b>	<b>75</b>

Source: Primary Data

**HYPOTHESIS**

**H<sub>0</sub>** (Null Hypothesis): There is no relationship between experience of employees and promotion of employees.

**H<sub>1</sub>** (Alternative Hypothesis): There is relationship between experience of employees and promotion of employees.

The Calculated value of Chi- Square is **27.58**

Number of Degree of Freedom = (r-1)\*(c-1) = (5-1)\*(5-1) = 16

The table value of Chi-Square for 16 degree of freedom at 5% level of significance is **26.296**

It is interpreted that there is a relationship between experience of employees and promotion of employees

**TABLE .6: ASSOCIATION BETWEEN RELATIONSHIP AND DISCUSSION OF PROBLEM WITH TEAM MEMBERS RELATIONSHIP WITH TEAM MEMBERS (X)**

Strongly Agree	Agree	Neutral	Disagree	Strongly Disagree
24	28	10	9	4

**DISCUSSION OF PROBLEM WITH TEAM MEMBERS (Y)**

Strongly Agree	Agree	Neutral	Disagree	Strongly Disagree
25	25	10	12	3

**CALCULATION**

X (Relationship)	Y( Discussion Of Problem)	XY	X <sup>2</sup>	Y <sup>2</sup>
24	25	600	576	625
28	25	700	784	625
10	10	100	100	100
9	12	108	81	144
4	3	12	16	9
<b>75</b>	<b>75</b>	<b>1520</b>	<b>1557</b>	<b>1503</b>

$$r = \frac{5(1520) - (75)(75)}{\sqrt{5(1557) - (75)^2} \sqrt{5(1503) - (75)^2}}$$

$$= 0.9774$$

**INFERENCE**

From the above analysis it is interpreted that relationship and discussion of problem with team members have **Positive Correlation**.

## 7. FINDINGS AND SUGGESTION

- Majority (38 percent) of the respondents are in the age group of 41 to 50 years.
- Majority (60 percent) of the respondents are male.
- Majority (54 percent) of the respondents had education up to UG.
- Majority (58 percent) of the respondents are from nuclear family.
- Majority (38 percent) of the respondents had annual income above 20,000.
- **Weighted average method**- From the above analysis it is interpreted that employee's gets Appraisal based on their individual performance.
- **Weighted average method**- From the above analysis it is interpreted that employee's gets training and development program by External and Internal Coaching.
- **Weighted average method**-From the above analysis it is interpreted that employee's gets job satisfaction while they were working under general shift.
- **Chi square test**- There is relationship between experience of employees and promotion of employees
- **Karl Pearson's coefficient of correlation**-From the above analysis it is interpreted that relationship and discussion of problem with team members have **Positive Correlation**

## 8. CONCLUSION

The aim of research was to find the talent management practice followed in organization to retain talented employees. The talented employees should be always retained in a concern for organizations. In a corporate race and diversity, no resource can contribute competitive advantage other than the human capital. Managing and retaining talented employees is challenging, but very crucial for even the survival of organizations. Recently, Talent management practices especially talent development practices have gain prominence due to its influence of employees. Organization must begin to manage people at work differently, treating them with respect and valuing their contribution. The present study was just a piece of empirical evidence that again prove the worth of talent management practices in retaining the employees. In an era where employees are more focused on career development, organizations have no choice other than exciting them with development opportunities in the organizations. Organizations positioning themselves as 'talent developers' may become preferred organizations to work for. Organizations need to proactively implement customized talent management practices for their employees so as to retain them and excel in the current business scenario.

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