

A Study on Talent Management Strategies in IT Industry

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Abstract - Human Resource is one of the vital resources for the success of any organization. With industry dynamics changing and the corporate work culture undergoing transformation globally, appointing and retaining the right talent has become immensely significant for the industries across the globe, more so for the Information technology sector. This study focuses to know the importance of talent management in corporate sector and to know the talent management strategies of I.T. Sector in India. The research type is descriptive research and the secondary data is collected through online journals, websites and books

Key Words: Talent management, IT Industry, Attraction, Retention, Strategies.

1. INTRODUCTION

Talent is the ability, skill, Knowledge of employees to perform the job effectively to achieve the organizational goals. In a globalized era managing and developing talent became the crucial factor in the success of the organization. Talent Management is not limited to acquiring the right candidate but beyond it extends to identifying the untapped and unusual qualities of your employees to develop and retain them to get the desired results.

Talent Management 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’. (CIPD 2007)¹

1.1 Benefits of Talent Management:

Talent management is also known as Human Capital Management. Talent management can be a discipline as big as the HR function itself or a small bunch of initiatives aimed

at people and organization development. Different organizations utilize talent management for their benefits. The benefits are:

- Suitable person in the job
- Supportive environment to the employees
- Retaining the top talent
- Effective acquisition
- Better alignment of employees to organization goals
- Better professional development decisions

1.2 Talent Management: A Process

Talent Management process is interconnected with all hr practices and is therefore, very difficult to handle. The main objective of the process is to acquire the right candidate and place at the right time. The major concern is aligning the employees to business strategies and retaining them for long run to gain the competitive advantage in the market. Talent management process has been shown in the below Figure, where total cycle is inter-connected with each other starting from workforce planning and concludes on critical skills and gap analysis, as detailed below:

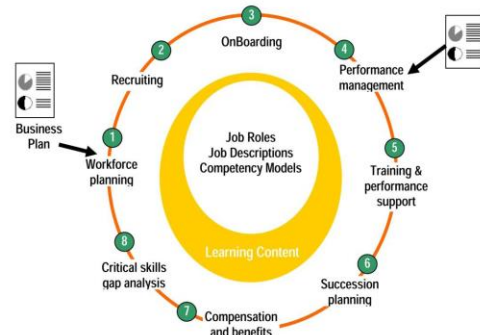


Fig -1: Talent Management Process

Source: Bersin and associates²

(a) **Workforce Planning:** This is integrated with business plan and this process establishes workforce plans, hiring plans, compensation budgets and hiring targets for total year duration.

(b) **Recruiting:** This is integrated process of recruitment assessment, evaluation and hiring the business brings people into the organization.

(c) **On boarding:** The organization must train and enable employees to become productive and integrated into the company more quickly, as long time need not be encouraged.

(d) **Performance Management:** This can be achieved with the help of business plan, where the organization establishes its own processes to measure and manage employees. This is a complex process in itself require careful handling.

(e) **Training and Performance Support:** This is most important and critical function, which envisages providing, learning and development programme to all levels of the organization. Training and performance support is required to be separate to different functionaries keeping in view their tasks and expectations of the organization from functionaries at different levels and required to evolve continuous support function.

(f) **Succession Planning:** There is continuous need to move personnel into new positions to evolve changes in the organizational system. Succession planning enables managers and individuals to identify right candidate for any position.

(g) **Compensation and Benefits:** This is an integral part of human resource management, where organization is required to tie compensation plan directly associated with performance management. The compensation, incentives and benefits align with business goals and execution is necessary.

(h) **Critical Skills Gap Analysis:** Such functions are generally over-looked in various industries and organizations, but such analysis is necessary to identify the

skill gaps for making the performance more elaborative and taking early measures after identification of requisite gaps. Positions likely to be vacant through retirement, attrition needs to be suitably addressed at the earliest.

2. Objectives of the Study

1. To study the concept of talent management.
2. To know the talent management strategies of IT Sector in India

2.1 Research Methodology

1. Research Type: The research type is descriptive

2. Scope: The scope of the study is limited to the study of the talent management strategies of IT sector in India.

3. Data Collection: Secondary data is collected from books, online journals and websites.

2.3 Review of Literature

Maya.M and Thamilselvan R.'s (2012)³ mentioned in her study, employee perception on talent management strategy based on various demographic variables. Alternative Work Schedule (AWS), Employee Engagement Program, Mentoring/Coaching, Rewards and recognition system received highest mean score among all other strategies 22 notified in this study. Based on ranked score given by the respondents it has been understood that Rewards and Recognition system, retention bonus, employee engagement program, Job rotation and new assignment and Training, job related and personal development were identified as the most required strategy for retention in IT companies.

Vanka Sita and Anitha Pinapati (2013)⁴ examine competency management as a tool for talent management in terms of talent acquisition, training and development and retention in Indian IT organisations. An attempt is made to identify the enabling and disabling factors of talent management. From senior management perspective talent development, talent acquisition and talent retention were perceived to be important talent management areas in the use of competency framework. Both senior management and employees consider culture challenging assignments and work environment as enabling factors of talent management.

Punia and Sharma (2008)⁵ in her study mentioned that the influence of organisational procurement practice on employee retention. Primary data collected by 1000 IT professionals forms the sources of the study. The findings of the study reveal that respondents regard effective induction programme as the most effective strategy of retention. In addition to this, systematic job analysis and talent requirement assessment are the recurring factors. Respondents attached lowest importance in outsourcing the employees as a retention measure. Induction programme, scientific job analysis and skill based distribution of work assignments have tend to be the key factors influencing employee retention.

Lakhwinder Singh Kang & Harpreet Sidhu(2011)⁶ in their study "Talent Management at Tata Consultancy Services" found that the philosophies of leadership, delivery excellence and the promise of 'Experience Certainty' are pillars on which the success of TCS is cemented. The immense talent, professionalism, dedication and support of TCSers continues to be the company's greatest asset. TCS has grown multi-fold in the last five years. It has successfully put in place a robust Talent Management process to identify talent, mentor and create an effective succession planning. Today, we need to take talent management to the next level. We need to consistently have a highly motivated and empowered workforce. That is the key to delivery excellence, the ability to get people to realize their true potential and bring out the best in them.

According to **Harvard Management Update, (1999)**⁷, Nine out of ten managers think that people stay or go because of money, which is actually not the case. Money and benefits matter, but what the employees want the most is challenging and meaningful work, good bosses, and opportunities for learning and development. The major causes of attrition identified by some IT companies were again the desire for higher education, marriage/transfer of spouse, salary, or when expectation of going on-site abroad is not met.

Srinivasa Rao Dasari, (2008)⁸, opines that IT Industry is facing challenges relating to attrition, employee loyalty, confidentiality etc. The present day's HR Managers are performing multiple functions than before.

AS Murti, (2008)⁹, the current challenge for IT industry is to match its supply and demand position, and retaining the experienced persons in the organizations depend upon a number of factors in addition to –pay and perquisites".

Rani and Joshi (2012)¹⁰ They have envisaged the relationship between talent management strategies and retention. Comparative study on talent management strategies in information technology company Infosys and automobile (Tech Mahindra) was made. Both the companies have talent identification through competency and assessment. The drivers of employee retention are organisational culture (60%), rewards (48%), pay (57%) and job security (52%). Organisational culture and rewards are the driving force for attracting and retaining talents. Base pay and job security are important factor in retaining employees. Training is the major aspect of employee motivation. Most of the employees have clear knowledge about the vision, mission and objectives of the organisation and ways to achieve them.

Gregory P. Smith (2010)¹¹ in his article on Employees Retention Strategies: How to Attract, Keep and Motive Today's Workforce has stated that employers face major challenge in finding skilled people, a younger workforce with different attitudes about work and growing population of old persons heading towards retirement. The study reveals 85 percent of human resource executives state the single greatest challenge in managing workforce in organization's inability to recruit and retain good employees and managers.

2.4 Talent Management Strategies in IT Industry:

- Alternative work schedule, New assignment and training are the mostly used strategies in IT sector
- Aligning employees with mission and vision of the organization

- Reward and reorganization and employee engagement
- Framing Employees competency levels to fill the competency gaps.
- Creating a culture that makes employees want to stay with the organization regarding their leaves and other personal obligations.

3. CONCLUSIONS

The service sector and the information technology sector is heavily people driven and hence require proper management of its employees. Talent management is important practice to get the right manpower in the organization. The impact of talent management strategies has remarkable effects on output and productivity of organization and employees. Proper alignment of Talent management strategies with organizational goals and creating a culture where employees work valued will be helpful to sustain in the competitive environment for long period of time.

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