



## IMPLICATIONS OF TALENT MANAGEMENT IN INFORMATION TECHNOLOGY SECTOR: A COMPARATIVE STUDY

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### Abstract

Talent management involves positioning the right people in the right jobs at right time for competitive advantage. Many organizations fail to organise the activities that enhance their talent pipelines, equip individuals with critical knowledge and skills, and deny employee an opportunity to enhance teamwork or be engaged to their jobs. As per NASSCOM 2016 only 20% of total output from the institutes is having minimum eligibility for Information Technology sector. Thus, organisations are striving to identify talented employees and organizing activities to retain them. In this context, this research paper focuses on employee perceptions on talent management outcomes in Information Technology sector.

**Key Words:** Information Technology, Talent Management, Productivity, Quality of Work Life, Work Life Balance.

### Introduction

Talent Management refers to the organization attracting, retaining, motivating, training and developing talented people that an organization requires to remain competitive, (Collings and Mellahi, 2009). This competitiveness can only be derived from positive and growth oriented employee outcomes. Gibbons (2006) state that talent management is a system that addresses competency gaps by implementing and maintaining programs to attract, acquire, develop, promote, and retain quality talent that must be adopted by all future oriented organizations to gain competitive advantage. Nowadays, talent management has become an essential priority for modern organizations, and organizational success is directly related to talent that is attracted, hired, developed and retained, (Ashton and Morton, 2005). Talent management that gives competitive employee outcomes is the process of building effective relationships with people in their roles, creating a great place to work and treating individual employees fairly, recognizing their value, giving them a voice and opportunities for growth (Thompson, 2005).

Many researchers have linked the aspect of talent management with employee outcomes whether negative or positive. Collings and Mellahi (2009) argued that the aspect of motivation of staff is important in linking talent management with employee outcomes and, in turn, with organizational outcomes because having high potential is already a confirmation of the fact that one possesses desired abilities. Boxall (2013) underscores how HR practices affect employee outcomes. He says that positive organizational outcomes result from aligning organizational and employee welfare and interests.

Choonghyun Kim *et al.*, (2015) found a leader's talent management ability is an extremely important factor increasing organizational effectiveness, including organizational commitment, job satisfaction, and turnover intention. Mohim Sheihaki Tash *et al.*, (2016) studied the relationship between talent management and job satisfaction among the employees Oil Jam Petrochemical Complex is evaluated. The findings indicated the positive and significant relationship between implementing the relevant policies to the manager of the Oil JPC employees with job satisfaction among the employees.

Prathigadapa Sireesha and Leela Krishna Ganapavarapu (2014) said that Companies that master talent management will be well-positioned for long-term growth in workforce performance for years to come. According to David Leann Rachel *et al.*, (2016) Talent management helps increase workplace productivity and effectiveness. It helps to increase the process of attracting, capability mapping, develop new capabilities and retaining the human capital with the right current and future work capabilities.

Yona Sakaja Mangusho *et al.*, (2015) study established that through a clear plan for the career growth and progression the organization was able to develop its talent which directly influenced employee performance. Vaishali J. Patil (2015) stated that the reason for increasing rate of talent crunch and poor retention of talented faculty in most of the higher education institutions in India is due to the reluctance of the institutions in promoting and implementing effective talent management practices. Despite of the benefits it offers, the field of academics is far behind the industries in implementing such practices. According to Chandu Ravi Kumar and Kalyan Chakravarthy (2015) today retaining brain is more difficult than foreign direct investment. Strategies are to be framed for overcoming the talent shortages. Obstacles to talent are to be identified and overcome-this can make talent flourish. A rightly managed talent turns out to be a gold mine if he is retained in the organization.

Hitesh Chelawat (2015) argued that there is no significant difference in the impact of four different parameters, viz. organisation culture & policy, interpersonal relationship, career growth & development and compensation & benefits, on the satisfaction level of employees with talent management practices in their organisation.



### Objectives of the Study

- To examine the talent management activities in the selected units.
- To examine the implications of the talent management in selected units.
- To correlate the demographic factors with the perceptions of employees regarding implications of the talent management.
- To put forth certain suggestions and conclusions based the findings that have been arrived.

### Hypotheses

**H<sub>01</sub>** There is no association between Education and the perceptions of employees regarding implications of the talent management.

**H<sub>02</sub>** There is no association between Experience and the perceptions of employees regarding implications of the talent management.

### Research Methodology

To fulfill the aforesaid objectives the data have been collected from two sources i.e. primary and secondary sources. The secondary data were collected from various journals, periodicals, magazines, books and unpublished documents. The primary data were collected directly from the sample respondents with pre - designed and tested questionnaire.

### Research Approach

A quantitative approach was followed in this exploratory study. The primary data were collected by using the questionnaire. Results were presented by means of descriptive group statistics and correlations.

### Research Method

The participants selected for this study are employees of Sun KPO and Trubyte Software Solutions working in Hyderabad branch of Telangana. The participants are selected using convenience sampling method. Total 280 questionnaires have been distributed in each organisation. The resultant response rate of useable questionnaires was 89.18%. Thus total 250 questionnaires from each organisation are considered for the study.

### Data Analysis and Results

Initially, the factor structuring of the scale items have been identified using the principal components analysis for the extraction of the principal components. Further using Kaiser-Meyer-Olkin Measure of Sampling Adequacy test we have tested the measure of sampling Adequacy which are .618 and .528 revealing that, there is significant degree of correlation among variables.

**Table – 1: KMO and Bartlett's Test**

<b>KMO and Bartlett's Test</b>			
Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		Sun KPO	Trubyte
		.618	.528
Bartlett's Test of Sphericity	Approx. Chi-Square	2285.094	504.845
	df	28	28
	Sig.	.000	.000

Initial communalities are estimates of the variance in each variable accounted for, by all components or factors. Extraction communalities are estimates of the variance in each variable accounted for the factors (or components) in the factor solution. Following **table -2** gives the details of communalities of Talent Management Outcomes.

**Table- 2: communalities**

<b>Communalities</b>			
	Initial	Sun KPO	Trubyte
		Extraction	
Job Satisfaction	1.000	.873	.696
Organisational Culture	1.000	.580	.736
Productivity	1.000	.847	<b>.826</b>
Retention	1.000	.867	.607
Team Work	1.000	<b>.878</b>	<b>.485</b>
Quality of Work Life	1.000	.747	.642
Performance	1.000	.788	.682
Work Life Balance	1.000	<b>.541</b>	.638
Extraction Method: Principal Component Analysis.			



The above table-2 shows the communalities of extraction. Principal component analysis works on the initial assumption that all variances are common; therefore in the initial the communalities all are 1. The communalities in the column labeled extraction reflect the common variance in the data structure.

Team work associated with 87.8 per cent in Sun KPO and Productivity associated with 82.6 per cent of variance recorded in Trubyte is common or shared variance. Another way to look at these communalities is in terms of the proportion of variance explained by the underlying factors.

To know about the exact level of variance among variables is initially assumed as all communalities are '1'. Then found the differentiated values for each variable. Here Job Satisfaction 87.3 per cent in Sun KPO and 69.6 per cent in Trubyte, Organisational Culture 58.0 per cent in Sun KPO and 73.6 per cent in Trubyte, Productivity 84.7 per cent in Sun KPO and 82.6 per cent in Trubyte, Retention 86.7 per cent in Sun KPO and 60.7 per cent in Trubyte, Team Work 87.8 per cent in Sun KPO and 48.5 per cent in Trubyte, Quality of Work Life 74.7 per cent in Sun KPO and 64.2 per cent in Trubyte, Performance 78.8 per cent in Sun KPO and 68.2 per cent in Trubyte, Work Life Balance 54.1 per cent in Sun KPO and 63.8 per cent in Trubyte. These indicate the variance in structure. It will show in detail in the following table-3 and table-4. Team work in Trubyte communality value is less than .5 so it is not considered for further study.

**Table-3: Total Variance Explained in Sun KPO**

Comp onent	Initial Eigenvalues			Extraction Sums of Squared Loadings			Rotation Sums of Squared Loadings		
	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %
1	4.277	53.464	53.464	4.277	53.464	53.464	3.162	39.524	39.524
2	1.843	23.038	76.502	1.843	23.038	76.502	2.958	36.978	76.502
3	.771	9.632	86.134						
4	.624	7.802	93.936						
5	.250	3.122	97.058						
6	.155	1.932	98.990						
7	.072	.902	99.893						
8	.009	.107	100.000						

Extraction Method: Principal Component Analysis.

**Table-3** shows the Eigen values associated with each factor represent the variance explained by that particular linear component and also display the Eigen value in terms of the percentage of variance explained so factor 1 explains 53.464 % of total variance; It should be clear that the this factor explain relatively large amount of variance then followed by the second factor with percentage 23.038 Therefore there are two factors extracted among all with Eigen value greater than 1. About total variance of factors when we observe Eigen values, two factors got large variance and the remaining factors are varied but shown as very negligible.

**Table-4: Total Variance Explained in Trubyte**

Co mp one nt	Initial Eigenvalues			Extraction Sums of Squared Loadings			Rotation Sums of Squared Loadings		
	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %
1	2.536	31.704	31.704	2.536	31.704	31.704	2.040	25.498	25.498
2	1.682	21.031	52.735	1.682	21.031	52.735	1.637	20.467	45.966
3	1.094	13.671	66.406	1.094	13.671	66.406	1.635	20.440	66.406
4	.817	10.218	76.623						
5	.674	8.420	85.043						
6	.552	6.901	91.945						
7	.439	5.489	97.433						
8	.205	2.567	100.000						

Extraction Method: Principal Component Analysis.



**Table-4** shows the Eigen values associated with each factor represent the variance explained by that particular linear component and also display the Eigen value in terms of the percentage of variance explained so factor 1 explains 31.704 % of total variance; It should be clear that the this factor explain relatively large amount of variance then followed by the second factor with percentage 21.031 and third factor 13.671. Therefore there are three factors extracted among all with Eigen value greater than 1. About total variance of factors when we observe Eigen values, three factors got large variance and the remaining factors are varied but shown as very negligible.

**Table – 5: Factor Analysis  
 Rotated Component Matrix<sup>a</sup>**

Sun KPO	Component		Trubyte	Component		
	1	2		1	2	3
Team Work	.904		Organisational Culture	.848		
Retention	.898		Work Life Balance	.773		
Performance	.885		Job Satisfaction	.674		
Organisational Culture	.685		Performance		.820	
Job Satisfaction		.931	Retention		.661	
Quality of Work Life		.850	Productivity			.788
Productivity		.830	Quality of Work Life			.758
Work Life Balance		.664				
Extraction Method: Principal Component Analysis.						
Rotation Method: Varimax with Kaiser Normalization.						
a. Rotation converged in 3 iterations.						

**Table: 5** show the Rotated Component Matrix. On the basis of Varimax rotation with Kaiser Normalization, four factors emerged. These factors are constituted of all those variables that have factor loadings greater than 0.5. Thus, the first factor in Sun KPO consists four dimensions like Team Work, Retention, Performance and Organisational Culture these four variables are combined together to get one factor and it is conceptualized as “Factor 1”. Further for the second component there are four dimensions like Job Satisfaction, Quality of Work Life, Productivity, Work Life Balance dimensions combined together to get one factor extracted and it is conceptualized as “Factor 2”. The first factor in Trubyte consists three dimensions like Organisational Culture, Work Life Balance, Job Satisfaction, these three variables are combined together to get one factor and it is conceptualized as “Factor 1”. Further for the second component there are two dimensions like Performance, Safety Retention, dimensions combined together to get one factor extracted and it is conceptualized as “Factor 2”, Further for third component there are two dimensions in which the values are greater than the remaining dimension values thus these two dimensions like Productivity, Quality of Work Life are combined together to get one factor extracted and it is conceptualized as “Factor 3

**Table-6: One-way ANOVA Talent Management outputs by Education of the Employees**

		Sun KPO		Trubyte	
		F	Sig.	F	Sig.
Job Satisfaction	Between Groups Within Groups Total	5.579	.000	2.898	.023
Organisational Culture	Between Groups Within Groups Total	.112	.978	3.160	.015
Productivity	Between Groups Within Groups Total	4.188	.003	3.112	.016
Retention	Between Groups Within Groups Total	.605	.659	3.102	.016
Team Work	Between Groups Within Groups Total	.333	.856		
Quality of Work Life	Between Groups Within Groups Total	5.039	.001	10.107	.000
Performance	Between Groups Within Groups Total	1.718	.147	3.096	.016
Work Life Balance	Between Groups Within Groups Total	1.966	.100	1.400	.235



The information presented in the above table observed that in Sun KPO H01, H03, H06 (Job Satisfaction, Productivity and Quality of Work Life) are significant at 5% level. It is observed that for H02 (Organisational Culture), H04 (Retention), H05 (Retention), H07 (Performance) and H08 (Work Life Balance); there is no significant difference in perceptions of the employees by Education. Therefore we can conclude that there is no influence of the education on the employee's perception on outcomes of the talent management.

The information presented in the above table observed that in Trubyte H01, H02, H03, H04, H06, H07 (Job Satisfaction, Organisational Culture, Productivity, Retention, Quality of Work Life Performance and Trauma Care around Highways) are significant at 5% level. It is observed that for H08 (Work Life Balance); there is a significant difference in perceptions of the employees by education. Therefore we can conclude that there is an influence of the education on the employee's perception on outcomes of talent management.

**Table-7: One-way ANOVA Talent Management outputs by Experience of the Employees**

		Sun KPO		Trubyte	
		F	Sig.	F	Sig.
Job Satisfaction	Between Groups Within Groups Total	3.765	.011	2.436	.065
Organisational Culture	Between Groups Within Groups Total	6.480	.000	2.352	.073
Productivity	Between Groups Within Groups Total	5.125	.002	8.070	.000
Retention	Between Groups Within Groups Total	5.489	.001	11.819	.000
Team Work	Between Groups Within Groups Total	6.203	.000		
Quality of Work Life	Between Groups Within Groups Total	5.009	.002	.628	.597
Performance	Between Groups Within Groups Total	4.779	.003	2.355	.073
Work Life Balance	Between Groups Within Groups Total	2.536	.057	2.775	.042

The information presented in the above table observed that in Sun KPO H01, H02, H03, H04, H06, H07 (Job Satisfaction, Organisational Culture, Productivity, Retention, Quality of Work Life Performance and Trauma Care around Highways) are significant at 5% level. It is observed that for H08 (Work Life Balance); there is a significant difference in perceptions of the employees by experience. Therefore we can conclude that there is an influence of the experience on the employee's perception on outcomes of talent management.

The information presented in the above table observed that in Trubyt H03, H04, H08 (Productivity, Retention and Work Life Balance) are significant at 5% level. It is observed that for H01 (Job Satisfaction), H02 (Organisational Culture), H06 (Quality of Work Life), and H07 (Performance), there is no significant difference in perceptions of the employees by experience. Therefore we can conclude that there is no influence of the experience on the employee's perception on implications of talent management.

### Findings of the Study

- In both the organisations KMO values are significant so sample size is adequate.
- Bartlett's test is highly significant ( $p < 0.001$ ), therefore the factor analysis is appropriate.
- Majority values in the communalities extraction are more than .6, so system generated components can be appropriate.
- Total 8 Talent management outputs found to be significant in Sun KPO and 7 implications in Trubyte as per employee perceptions.
- Employee's perceptions are not significantly influenced by the education of the respondents in Sun KPO, but significantly influenced in Trubyte.
- Employee's perceptions are significantly influenced by the experience of the respondents in Sun KPO, but not significantly influenced in Trubyte.

### Suggestions

- In Trubyte team work is not significantly influenced by talent management. The reason could be the bias in employees regarding talent management. Therefore, organisation has to conduct awareness programs with this regard.
- In Trubyte employee perceptions are significantly influenced by the education of the employees. It implies that highly educated employees are satisfied and agreed with the talent management output but less educated employees not felt so. Thus, organisation should make sure that less educated employees will get equal priority in skill as well as career development.



- In Sun KPO employee perceptions are significantly influenced by the experience of the employees. The reason could be highly experienced employees felt this talent management practices will neglect their seniority in the organisation. Therefore, organisation should be care-full, not to lose experience of the seniors.

### Conclusion

Talent management practices can help to curtail the problems of talent crunch during employee recruitments and promote better talent acquisition, development and retention of employees in Information Technology sector. Following the data analyzes, hypothesis testing and findings, the study concludes that talent management has high influence on Team Work, Retention, Performance and Organisational Culture, Job Satisfaction, Quality of Work Life, Productivity, Work Life. Also, it is concluded that talent management is a key determinant of business success and a competitive resource which forces organizations to reexamine how they are managing the great potentials of top performers.

### Scope for further research

The present study is limited to Sun KPO and Trubyte, Hyderabad of Telangana. Selecting organisations with different demographical backgrounds will give better picture of Information Technology sector. Present study covered talent management practices influence on selected outcomes only; in future researcher can involve more number of outputs. The present study covered 250 employees from each organisation; in future researcher can involve more number of employees to yield good results.

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