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AN ANALYSIS OF TALENT MANAGEMENT STRATEGIES AND ITS IMPACT ON THE PERFORMANCE OF EMPLOYEES WITH REFERENCE TO INFORMATION TECHNOLOGY INDUSTRY IN CHENNAI

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Introduction

”The thing that wakes me up in the middle of the night is not the economy or competitors; it is whether we have the leadership capability”. (David Whitwan, former CEO of Whirlpool Corporation).This statement reflects the challenges we face in the new knowledge economy. Keeping good people has become a major challenge for most businesses, big or small. In the 21st century we are defining talent as the new wealth.

Most organizations have become poachers of talent, instead of developers of talent. If talent is identified, it is lured with anything and everything in order to gain the competitive advantage. According to a recent Harvard Business Review article (January, 2000) organizations often revert back to the proverbial “golden handcuffs” strategy in order to prevent the often devastating impact of losing a talented employee.

Global worker shortages and talented people have heightened corporate awareness of the need for innovative talent retention strategies and the ever-increasing competition for talent. The “war for talent” has become the mantra of modern Human Resources (HR) professionals, and it will stay a reality in the corporate landscape for many years to come.According to the Gordon Institute of Business Science (GIBS) the reality is that most companies are playing “Talent Management catch-up” instead of managing talent as a strategic imperative (mba.co.za, 2007).

So what is Talent Management exactly? It can be defined as a dynamic, ongoing process of systematically identifying, assessing and developing talent for future critical roles to ensure continuity and optimal organizational performance (J Heidke,2006).

Talent Management – An Overview

Talent management refers to the skills of attracting highly skilled workers, of integrating new workers, and developing and retaining current workers to meet current and future business objectives. Talent management in this context doesn't refer to the management of entertainers. Companies engaging in a talent management strategy shift the responsibility of employees from the human resources department to all managers throughout the organization . The process of attracting and retaining profitable employees, as it is increasingly more competitive between firms and of strategic importance, has come to be known as "the war for talent." Talent management is also known as HCM (Human Capital Management).In the ancient times Kings like Akbar used to keep Nine Genius with him. They were Super Stars of that time. The most famous among them were Birbal the Genius and Tansen the Music Maestro. Similar cases are there in all the pre-historic ages. In the Ramayan era King Dasharath had Top Talent with him in the form of Vasistha and Vishwamitra. In the Mahabharata era King Dhrutarashtra had Bhishmacharya, Dronacharya, Kripacharya, Karna, and other such stalwarts. In the Puranas you will observe that King of Gods Lord Indra had assigned the tasks to his 330 million god army. Everyone was talented rather expert in his field of excellence. There are many such cases found in ancient China, Greece, Roman Empire, Egypt, Hebrews, Phoenicians, Hittites, Norman, Celts, Vikings, Anglo-Saxon, Mongols, Japanese, Celts, Kush, and in many such known or unknown ancient civilizations like Vedic, Lothal, Maya, Mesopotamia, and Aztec. So, Talent Management is not new but it has taken a new dimension in the Global Village Era.A recent study by the Business Performance Management Forum (BPM) in 2007 revealed the following: Good Talent Management relies heavily on the ability to measure success.

- The global talent landscape is becoming more challenging and more demanding – 77.5% of respondents in the BPM survey reported they take longer than ever to find good employees.
- Employer brand is becoming increasingly important as a talent attraction factor.
- Talent should be a broad definition – it should be inclusive and not exclusive.

The “B-players” in the organisation should be part of Talent Management and not only the “A-players”.

Challenges of Talent Management and Skills Development

Nearly half of India's employers are struggling to fill critical positions because of a severe talent crunch, according to a study on talent shortage by staffing firm Manpower Group. Although the situation has improved over last year, 48% of employers in the country are facing hiring challenges current year as against the global average of 34%, the study said. Talent is

particularly scarce in information technology, marketing, public relations and communications, and engineering, it said. While it was difficult to hunt for R&D, sales manager and IT staff last year, this year the positions are for IT staff, marketing/public relations/communication staff and engineers. Personal assistants, call centre operators, researchers are also hard to find this year. Lack of available candidates, technical competencies amongst that present, refusal to move to another location, poor image of the occupation, weak soft skills and demand for a higher salary have been key reasons in Asia Pacific for the posts to remain vacant.

The study covered 1,500 employers in India, who were part of the 8,786 employers polled in the Asia Pacific region and 40,000 globally. Employers in Asia Pacific cited shortage of candidates, lack of technical skill, candidates' refusal to relocate, poor image of the occupation, weak soft skills and demand for higher remuneration as reasons for trouble in filling jobs. A common mistake organizations make is to neglect their "B-players". Organizations got caught up in the much quoted and widely publicized "war for talent". After all, hunting for stars is much more fun, they are impressive to have on the payroll, and they make CEO's look good.

However, the preoccupation with the stars (or "A-players") often result in the underestimation of the capable, steady performers in the business. They lack the luster and brilliance of the stars, but often are the best bet for long- term sustainability. The adequate and capable employees are often the ones who save the organisation form itself.

According to a Harvard Business Review article (HBR, June 2003) the star employees often focus more on themselves and their own needs, and not on what is good for the company. Solid and capable "B-players" on the other hand are steady; they stay longer and make huge contributions to the success of a business.

It is therefore crucial to expand the focus of Talent Management and to ensure that the majority of the organization's workforce is included in the management of talent, not just the top 10% of the organisation.

Another challenge organizations face is the fine line between developing and optimizing talent and potential, and the risk of making staff more employable. The more we invest in people, the more attractive they become to competitors and the market.

Organizations are raising their expectations of what would be an acceptable threshold of entry – this impacts on all workers. They have to raise their own levels of competitiveness and skill-sets to compete in the knowledge-based economy. In South Africa this reality is particularly challenging as a vast portion of our nation needs to not only be competitive, but to also eradicate disadvantages and educational legacies of the past. This poses pressure on institutions responsible for building capacity and skills.

Brown, P and Hesketh, A (2004) makes the point that recruitment cannot become the substitute of poor people management (including skills development). Neither is recruitment a substitute or compensation for investment in training and development. The challenge is to find the dormant and obvious talents and build it to the mutual benefit of both the organisation and the individual.

Another challenge organizations face is the absence of a clear plan and strategy to develop skills and capacity at all levels for all staff. Staff have no road map for getting the skills they need, companies have not identified the need for future success and skills development often becomes an operational necessity, as opposed to a long-term strategic business imperative. A key challenge that needs to be addressed when managing talent is to provide staff with adequate opportunities to practice new skills and competencies. We often invest fortunes to develop talented people (at all levels) and then they go back to their old role with the old routine with no opportunity (and no time) to implement new skills and knowledge.

Objectives of the Study

To identify the Four point criteria for assessing talent includes:

1. Performance – refers to the employee's current level of performance, relative to the performance goals and objectives set out in their current position.
2. Readiness – reflects an employee's ability to take on greater levels of responsibility in a higher level position or in a more complex role based on demonstrative behavioral and technical competencies, assuming reasonable opportunities for development are available.
3. Willingness – indicates the degree to which the employee is prepared and willing to assume a new role as well as the organization's capacity to accommodate.

4. Criticalness – indicates that the employee has been identified as critical for succession planning purposes in achieving operational and strategic goals.
5. To explore the present talent management strategies adopted by the information technology industry and its impact on the employees serving in Chennai based firms.
6. To identify the existing and future requirements of talent management.
7. To explore the impact of such talent management strategies on the employees how such talent management strategies increases the performance of the employees.

Hypotheses of the Study

Based on the answers given by the respondents, the following statistical null hypotheses are tested in the appropriate places.

1. There is no significant difference between gender and employee's current level of performance, relative to the performance goals and objectives set out in their current position.
2. There is no significant difference between gender and employee's ability to take on greater levels of responsibility in a higher level position or in a more complex role based on demonstrative behavioral and technical competencies, assuming reasonable opportunities for development are available.
3. There is no significant difference between income and employee is prepared and willing to assume a new role as well as the organization's capacity to accommodate.
4. There no significant difference between age group and employee has been identified as critical for succession planning purposes in achieving operational and strategic goals.

Area of the Study

This study area incorporates Chennai and focuses on employees of information technology industry.

Sampling: This study is carried out with the sample size of 1200 employees of the Information Technology Industry in Chennai.

Sampling Technique

Simple Random Sampling Techniques are Deployed in This Study.

Data collection was carried out with the help of questionnaire from the employees of Information Technology Industry.

Primary Data

Primary Data collection was carried out with the help of questionnaire from the employees of Information Technology Industry. The field survey technique was employed to collect the pertinent data from 1200 employees in the study area. Interview schedule was the main tool for collecting the primary data. Much effort was taken to prepare the interview schedule in a systematic way by designing adequate and relevant questions to ensure better achievement of the research objective. The interaction technique is applied to collect certain relevant data in order to facilitate the study.

Pilot Study

A pilot study was conducted among 30 members of information technology industry i.e. 10 per cent of the total sample to check the feasibility and reliability of the schedule. In the light of the experience gained in the pilot study the schedule has been modified to suit the sample groups and finalized to conduct the survey. The perception of the respondents has been tested for its reliability using *Cronbach's Alpha.* The value obtained was 0.911, which shows that instrument is highly reliable. The distribution curve is normal. Based on the pilot study necessary modifications were made in the interview schedule. The researcher sought adequate guidance through the research supervisor.

Secondary Data

The Primary data was supplemented by spate of secondary data. The secondary data pertaining to the study was gathered from the various information technology companies operating in India . The latest information about the talent management strategies adopted by the information technology companies and the theoretical framework were gathered from well-equipped libraries. Further, the secondary data were collected from leading journals and a number of standard reference books were referred to obtain pertinent literature on talent management.

Statistical Tools Used

After the fieldwork, the data have been carefully scrutinized and edited in order to ensure accuracy, consistency, and completeness. Statistical Package for Social Sciences (SPSS) was used for data analyzing. Most of the analyses are based on the responses presented in the form of frequency tables. The data tabulated are systematically processed and interpreted on

the basis of the objectives formulated. Statistical tools such as percentage, averages are used for basic analysis and factor analysis, ANOVA,REGRESSION,multiple linear regression, Chi-square test, Structural Equation Modeling are used for empirical analysis.

There is no significant difference among numbers of years' experience in present position with respect to factor of Talent Management strategy of IT employees.

Table 1 ANOVA for significant difference among numbers of years 'experience in present position factor of Talent Management strategy of IT employees

of Talent Management strategy of IT employees	**Number of years' experience in present position**			**F value**	**P value**
	Below 5	**5-10**	**Above 10**		
Performance	7.83[b] (1.98)	6.53[a] (1.16)	7.02[a] (1.01)	28.640	<0.001**
Readiness	10.55 (2.64)	10.37 (1.80)	10.05 (2.02)	.983	0.374
Willingness	8.70[b] (2.34)	8.37[b] (2.28)	6.51[a] (.51)	18.622	<0.001**
Criticalness	8.39[b] (2.51)	7.21[a] (1.24)	7.54[a] (1.52)	15.398	<0.001**
Potential	14.69[c] (3.09)	12.27[a] (2.87)	13.51[b] (.51)	37.292	<0.001**
Overall Adoption of TMS	**50.17[b] (10.03)**	**44.75[a] (7.24)**	**44.63[a] (5.57)**	**22.500**	**<0.001****
Identifying Talent	38.86 (10.76)	38.76 (6.63)	42.39 (8.38)	2.326	0.098
Talent Competency Assessment	25.89[b] (6.32)	27.28[b] (5.97)	23.93[a] (3.04)	5.069	0.006**
Talent Management Strategy	39.10[ab] (12.68)	36.15[a] (12.26)	40.98[b] (1.01)	3.705	0.025*
Overall Assessment of TMS	**103.85 (25.25)**	**102.20 (23.63)**	**107.29 (11.11)**	**670**	**0.512**
Overall Impact of TMS	**51.52 (13.39)**	**54.33 (19.00)**	**52.44 (2.53)**	**2.306**	**0.100**
Induction	32.74[b] (5.82)	32.87[b] (3.25)	27.90[a] (4.05)	15.112	<0.001**
Recruiting and Attracting	21.34[b] (6.43)	18.89[a] (7.36)	23.90[c] (4.05)	11.649	<0.001**
Compensation and Rewarding	23.45[ab] (7.02)	22.00[a] (8.74)	25.29[b] (8.60)	3.683	0.025*
Displays Talent Management	16.55[b] (4.83)	14.89[a] (5.43)	16.85[b] (6.07)	6.405	0.002**
Develop Others	24.97[b] (6.59)	21.38[a] (8.09)	20.95[a] (2.02)	21.914	<0.001**
Establishes and Maintains Positive Relationship	25.95[b] (6.01)	23.39[a] (6.59)	26.41[b] (3.54)	10.301	<0.001**

Provides Meaningful and Challenging Works	21.30[b] (4.91)	19.67[a] (5.67)	20.39[ab] (4.55)	6.335	0.002**
Manages Work-Life Balance	19.32 (6.02)	18.40 (8.28)	19.37 (5.57)	1.200	0.301
Performance Management	37.71 (8.40)	37.66 (10.69)	35.34 (6.58)	1.488	0.226
Succession Planning	20.24[a] (5.92)	19.72[a] (5.06)	22.46[b] (1.52)	3.578	0.028*
Overall Performance through TMS	243.57[a] (51.39)	228.86[a] (63.89)	238.88[a] (46.56)	4.362	0.013*

Note: 1. The value within bracket refers to SD
2. ** denotes significant at 1% level
3. * denotes significant at 5% level
4. Different alphabet among Number of years' experience in present position denotes significant at 5% level using Duncan Multiple Range Test (DMRT)

Since P value is less than 0.01, null hypothesis is rejected at 1% level with regard to Performance, Willingness, Criticalness, Potential, Overall Adoption of TMS, Talent Competency Assessment, Induction, Recruiting and Attracting, Displays Talent Management, Develop Others, Establishes and Maintains Positive Relationship and Provides Meaningful and Challenging Works. Hence there is significant difference among Number of years' experience in present position with regard to ofPerformance, Willingness, Criticalness, Potential, Overall Adoption of TMS, Talent Competency Assessment, Induction, Recruiting and Attracting, Displays Talent Management, Develop Others, Establishes and Maintains Positive Relationship and Provides Meaningful and Challenging Works. Based on Duncan Multiple Range Test (DMRT), number of years' experience in present position Above 10 and 5-10 is significantly differed with Below 5 at 5 % level in Performance, Criticalness and Overall Adoption of TMS. The number of years' experience in present position Above 10 is significantly differed with Below 5 and 5-10 at 5 % level in Willingness, Talent Competency Assessment and Induction. The number of years' experience in present position 5- 10 is significantly differed with Below 5 and Above 10 and similarly number of years' experience in present position Above 10 is significantly differed with Below 5 at 5 % level in Potential and Recruiting and Attracting. The number of years' experience in present position 5- 10 is significantly differed with Below 5 and Above 10 at 5 % level in Displays Talent Management and Establishes and Maintains Positive Relationship. The number of years' experience in present position 5- 10 is significantly differed below 5 at 5 % level in provides Meaningful and Challenging Works.

Since P value is less than 0.05, null hypothesis is rejected at 5% level with regard toTalent Management Strategy, Compensation and Rewarding, Succession Planning and Overall Performance through TMS. Hence there is significant difference between age group with regard to Talent Management Strategy, Compensation and Rewarding, Succession Planning and Overall Performance through TMS. Based on Duncan Multiple Range Test (DMRT), the number of years' experience in present position 5- 10 is significantly differed with Above 10 at 5 % level in Talent Management Strategy and Compensation and Rewarding. The number of years' experience in present position Below 5 and 5-10 is significantly differed with Above 10 at 5 % level in Succession Planning.

There is no significance difference among number of years 'experience in present position with regard to Readiness, Identifying Talent, Overall Assessment of TMS, Overall Impact of TMS, Manages work-life balance and Performance Management since P value is greater than 0.05. Hence the null hypothesis accepted at 5% level with regard to Readiness, Identifying Talent, Overall Assessment of TMS, Overall Impact of TMS, Manages work-life balance and Performance Management. Individuals experience more conflict between work and personal life as they continue to pursue the quality of life that they need (Casper et al., 2011). Thus, successfully balancing work and family life is one of the major challenges facing current individual workers (Halpern, 2005). Individuals experience more conflict between work and personal life as they continue to pursue the quality of life that they need (Casper et al., 2011). Thus, successfully balancing work and family life is one of the major challenges facing current individual workers (Halpern, 2005).

Limitations of the Study

The opinion of the employees expressed about talent management is applicable only for selected IT companies.
The views are expressed by the employees are applicable only for the IT industry not applicable for other industries.

Major Findings

- Chi-square analysis is employed to check the relationship between the socio-demographic character and the level of income. The results show that the socio-demographic factors like age, religion, community, educational level, occupation, marital status, type of family and the size of family are significantly related with the income groups.
- The multiple regression models have been estimated. It is inferred from the analysis that the variables such as occupation of the respondents (t=7.190) and education status (t=5.839) have a greater influence on the volume of savings. The 'F' value shows that the model fitted is statistically significant at 5 per cent level.
- The quantitative relationship between the income and the determinants is studied by a linear income function with income as the dependent variable and family size, education of the respondent, occupation of the respondent.
- The't' values and corresponding values of significance clearly show that there is significant increase in income, savings and borrowing with respondents before and after joining in the respective organization.

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