Talent Management Practices: An Empirical Study on Attracting and Retaining the Top Performers with special reference to IT sector in Bengaluru
by Dr. Senthilkumar[a]

Abstract

The present study is an effort to analyse the Talent Management Practices and how to attract and retain the top performers in an organization especially in the selected IT sectors in Bengaluru. The study area is one of the major IT sectors in Bengaluru. The study is empirical in nature. A sample of 750 IT sector Employees in Bengaluru district has been considered for the study. The primary data for analyzing how top performers can be attracted and retained in an organization of the IT sectors has been collected through Structured Questionnaire method. The study found that Job security, salary package and Educational Benefits are the major Talent Management Practices where the employees are highly attracted and retained as a top performer.

Keywords: Talent Management, Top performers

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1. Introduction:

The term talent management first emerged in the late 1990s and was popularized when a study completed by researchers within McKinsey and Company. The Company had revealed that Talent Management was not "best" practices that distinguished high performing companies but it was a pervasive talent management mindset (Michaels, Handfield-Jones, & Axelrod, 2001). The competitive advantage for organizations comes from having superior talent and managing it appropriately throughout the organization. It is the responsibility and job of all managers. Michaels, Handfield-Jones and Axelrod (2001) found that on average companies that did a better job of attracting, developing and retaining talented employees earned a 22 percentage point higher return to shareholders. But is talent management just a new term for an old concept? There is nothing new about companies wanting to secure the best talent ("Everybody's doing it," 2006). The East India Company, founded in 1600, used competitive examinations to recruit alpha minds. GE did
it with its "people development." But something is new in the air. Managing talent has become more important to a much wider range of companies than it used it to be. Talent management practices have developed and adapted through the years in response to many changes in the workplace, from the industrial revolution to globalization to outsourcing.

**Functions of talent management**

**Recognize talent:**

Notice what do employees do in their free time and find out their interests. Try to discover their strengths and interests. Also, encourage them to discover their own latent talents. For instance, if an employee in the operations department convincingly explains why he thinks he's right even when he's wrong, consider moving him to sales!

**Attracting Talent:**

Good companies create a strong brand identity with their customers and then deliver on that promise. Great employment brands do the same, with quantifiable and qualitative results. As a result, the right people choose to join the organization.

**Selecting Talent:**

Management should implement proven talent selection systems and tools to create profiles of the right people based on the competencies of high performers. It's not simply a matter of finding the "best and the brightest," it's about creating the right fit - both for today and tomorrow.

**Retaining Talent:**

In the current climate of change, it's critical to hold onto the key people. These are the people who will lead the organization to future success, and you can't afford to lose them. The cost of replacing a valued employee is enormous. Organizations need to promote diversity and design strategies to retain people, reward high performance and provide opportunities for development.

**Managing Succession:**

Effective organizations anticipate the leadership and talent requirement to succeed in the future. Leaders understand that it's critical to strengthen their talent pool through succession planning, professional development, job rotation and workforce planning. They need to identify potential talent and groom it.
Change Organization Culture:

Ask yourself, "Why would a talented person choose to work here?" If the organization wishes to substantially strengthen its talent pool, it should be prepared to change things as fundamental as the business strategy, the organization structure, the culture and even the caliber of leaders in the organization.

As rightly managed, talent turns out to be a Gold Mine. It's inexhaustible and priceless. It will keep supplying wealth and value to the organization. Not doing detailed succession plans is not the same thing as doing no planning, of course, nor is it the same as doing no development.

Talent management is essential for it sector

Knowledge Intensive organizations are growing all over the world and there has created tremendous demand for knowledge workers. IT sectors are witnessing huge attrition rates and changing equations of demand and supply of knowledge workers which has put them great pressure. With increasing demand for talent workforce, organizations are finding it very difficult to attract talent, retain existing talent and motivate them to perform. Human capital being the greatest asset of knowledge based organizations, the war for talent acquisition and retention is on rise among knowledge intensive industries. Thus it has become more vital due to shortage of supply of talented manpower. Thus talent management has emerged an important HR function in knowledge based organizations. Among Knowledge based organizations IT sector plays an important role, where talent management is very much essential to increase the organizational and employee productivity.

2. Literature review:

Julia Christensen Hughes and Evelina Rog(2008) opines that Talent management is an espoused and enacted commitment to implementing an integrated, strategic and technology enabled approach to human resource management (HRM). This commitment stems in part from the widely shared belief that human resources are the organization’s primary source of competitive advantage; an essential asset that is becoming an increasingly short supply. The benefits of an effectively implemented talent management strategy include improved Employee recruitment and retention rates, and enhanced
employee engagement. These outcomes in turn have been associated with improved operational and financial performance. The external and internal drivers and restraints for talent management are many. Of particular importance is senior management understanding and commitment. This article will be of value to anyone seeking to better understand talent management or to improve employee recruitment, retention and engagement.

Margeret Deery (2008) explains about the WLB issues in the turnover decision-making process. This paper also provides a theoretical and practical framework for industry to develop strategies for reduced employee turnover, with a focus on the role that balancing work and family plays in these strategies. It also focused on job attitudes such as job satisfaction and organizational commitment, personal attributes such as positive and negative affectivity, the role of WLB in employee turnover and, finally, the strategies provided to alleviate high turnover rates.

Tom Baum (2008) explores the characteristics and analyzed talent management scenarios within which businesses can operate for developmental approach which focus on talent identification. It will be of value to practitioners in helping them to evaluate their recruitment, retention and development practices. It will also be of value to researchers in providing the basis for further study and reflection in this area.

Rainer Jansen (2009) describes that every company that wants to attract a sufficient number of talents with the right qualities, will increasingly need to provide far more flexible and “family friendly” work models than today. Even though this had been an issue over the last 20 years, the demographic pressure alone now urgently requires support mechanisms that bring more female talents into full-time employment and to provide them with realistic career perspectives. It is evident that tradition, legislation and financial resources can be obstacles to some major changes that are required – hence specific efforts need to be made to address attitudes and behaviours. While hierarchy by itself is neither good nor bad but just a given in any human organization it has to create a culture in which hierarchy plays only a structural and descriptive role and it is not an impediment to communication and interaction. More than ever, management needs to adopt a mentoring and coaching role.

Jeanne Harris, Elizabeth Craig and Henry Egan (2010) opined that a strategic approach to managing analytical talent have considered the needs of the entire enterprise.
It was found that by building and aligning the four key talent management capabilities—defining needs, discovering new sources, developing capabilities and deploying effectively—organizations can maximize the strategic impact of their analytical talent and continually expand the organization’s collective analytical capabilities. That is, they can build a talent-powered analytical organization.

Peter Cheese (2010) opines that attracting and retaining the talent businesses need, will require renewed focus and energy on employee value propositions, with greater flexibility to attract increasingly diverse talent. Responsible and sustainable business is going to play an increasingly important part in this, not just in terms of environment, but social and economic responsibility. Many more people will be making decisions about employers based on these characteristics than in the past. It also focused on the workforce challenges were the employees are facing, one of the key areas for investment must be for the managers at all levels in core leadership capabilities and the so called “softer” skills.

Stephen A. Stumpf (2010), explained in the case study saying that talent management – the attraction, on boarding, development, retention, and re-deployment (or counseling out) of professional and managerial employees and optimization of individual and organizational performance. The case study also discusses about many talent management issues like how to attract, develop, and retain professional level talent. Secondary issues include the work climate and the questionable senior management support for task force recommendations. It also discussed about the quality talent management program is to ensure the organization can attract, develop, and retain the top talent necessary for sustainable success in the global market place – success with customers, employees and investors. This is done, in part, when the organization’s leaders are able to meet their personal goals while directly and meaningfully contributing to the organization's goals.

3. Objectives of the study:

1) To examine the factors that influences the Talent Management Practices of employees in IT sector.
2) To identify the reasons to attract, motivate, reward and retain the talented employees.
4. Statement of the problem:

Attracting and retaining the talent is the key for the success of the organization and this has resulted in war for the talent. IT Company employees and HR managers in Bengaluru district is of traditional one. Though traditional economic activities are done by men/women employees the Talent Management Practices has emerged only during 2000’s and number of research done in this area is minimum. Therefore, Bengaluru has been chosen as study area and IT sector Employees are targeted for this study. The main issues in the talent management are how to attract and retain the top performers by practicing the talent management practices in the organization. In the present study Talent Management has focused on attracting, developing and retaining the talented Employees.

5. Research methodology:

The validity of any research depends on the systematic method of collecting the data and analyzing the same in a logical and sequential order. In the present study, an extensive use of both primary and secondary data was made. Bengaluru was chosen purportedly for this study, because this metropolitan city is one of the major regions of software and services in India. The present study has been mainly based on survey method. Primary data have been collected by issuing questionnaires directly to the respondents who are working in IT sector. Simple Random sampling technique was employed to select the sample respondents from the selected 15 IT companies and selecting of 50 employees from each and totally 750 employees were chosen.

The collected data has been analyzed using Chi-Square Analysis, Henry Garret Ranking Technique with the help of statistical package for social science (SPSS 20)

6. Limitations of the study:

1) The study is restricted only to IT sector employees in Bangalore District, it cannot be generalized to other places.

2) The study findings are restricted solely to IT sector employees and IT industry and cannot be generalized for other Sectors
7. Results and Discussion:

Table no: 1 Factors that Influences the Talent Management Practices of Employees in IT sector : Chi-Square Results

<table>
<thead>
<tr>
<th>Factors</th>
<th>Designation</th>
<th>Department</th>
<th>Employee Age</th>
<th>Sex</th>
<th>Experience</th>
</tr>
</thead>
<tbody>
<tr>
<td>Satisfaction with employee benefits and policies</td>
<td>S</td>
<td>S</td>
<td>NS</td>
<td>S</td>
<td>S</td>
</tr>
<tr>
<td>Commitment to Values</td>
<td>S</td>
<td>NS</td>
<td>S</td>
<td>NS</td>
<td>NS</td>
</tr>
<tr>
<td>Customer Focus</td>
<td>NS</td>
<td>NS</td>
<td>NS</td>
<td>NS</td>
<td>NS</td>
</tr>
<tr>
<td>Level of Satisfaction with the Salary Benefits</td>
<td>S</td>
<td>S</td>
<td>S</td>
<td>S</td>
<td>S</td>
</tr>
<tr>
<td>Development Plan</td>
<td>NS</td>
<td>S</td>
<td>NS</td>
<td>S</td>
<td>NS</td>
</tr>
<tr>
<td>Innovation</td>
<td>NS</td>
<td>NS</td>
<td>NS</td>
<td>NS</td>
<td>NS</td>
</tr>
<tr>
<td>Managing Performance</td>
<td>S</td>
<td>NS</td>
<td>NS</td>
<td>NS</td>
<td>S</td>
</tr>
<tr>
<td>Quality Commitment</td>
<td>NS</td>
<td>S</td>
<td>S</td>
<td>NS</td>
<td>S</td>
</tr>
<tr>
<td>Result Orientation</td>
<td>NS</td>
<td>NS</td>
<td>NS</td>
<td>NS</td>
<td>NS</td>
</tr>
<tr>
<td>Stimulating Open Climate</td>
<td>NS</td>
<td>NS</td>
<td>NS</td>
<td>NS</td>
<td>NS</td>
</tr>
<tr>
<td>Level of Teamwork</td>
<td>S</td>
<td>S</td>
<td>S</td>
<td>S</td>
<td>S</td>
</tr>
<tr>
<td>Level of Engagement</td>
<td>S</td>
<td>S</td>
<td>NS</td>
<td>NS</td>
<td>S</td>
</tr>
</tbody>
</table>

- It is found from the analysis that out of three levels of respondents who work in the IT sector the maximum level of satisfaction towards the employee benefits and policies are perceived to be high for the top level employees. Since most of the respondents are working in technical department and they have more than 10 years of experience, their level of satisfaction is high.

“Aano bhadraa krathavo yanthu vishwathaha”-“Let the noble thoughts come to all from all directions”. Page No.7

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• It is identified out of twelve factors the maximum (36.7%) level of commitment to values in their job is attained by the respondents who are working in middle level and most of them are from technical department. It is also observed that female employees are more committed in their job when compare with the male respondents.

• The respondents who work in technical department and who are in the age group of 30-40 work efficiently towards customer focus and their satisfaction level also high. Usually the middle level respondents play an important role in achieving organization goal. Therefore the opinion towards customer focus is high compare to the other group of respondents.

• The maximum (66.7%) Opinion towards Level of Developmental Plan were perceived by the respondents who work in top level and maximum (46.4%) opinion towards customer focus were perceived by the respondents who worked in middle level and most of the respondents are from technical department. Since the top level and middle level respondents are well experienced and more responsible for their organizations developmental plan, decision making and teamwork the analysis result is more significant.

**Attracting and retaining top performers**

The employees who get attracted and helps them to retain in the organization as a top performers by considering the different attractive factors in the IT companies. For this purpose, the various factors which have been considered are Basic pay, Health care benefits, Retirement benefits, Educational benefits and Job security. To identify the most important required factors, Henry Garrett Ranking Technique was employed and the details of the ranking of factors regarding attracting and retaining top performers are shown in the following table.
Table no.2

Attracting and retaining top performers

<table>
<thead>
<tr>
<th>S. No.</th>
<th>Factors</th>
<th>Total Score</th>
<th>Mean Score</th>
<th>Rank</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>Basic pay</td>
<td>40762</td>
<td>54.3</td>
<td>II</td>
</tr>
<tr>
<td>2.</td>
<td>Health care benefits</td>
<td>39584</td>
<td>52.8</td>
<td>III</td>
</tr>
<tr>
<td>3.</td>
<td>Retirement benefits</td>
<td>38078</td>
<td>50.8</td>
<td>V</td>
</tr>
<tr>
<td>4.</td>
<td>Educational benefits</td>
<td>38858</td>
<td>51.8</td>
<td>IV</td>
</tr>
<tr>
<td>5.</td>
<td>Job security</td>
<td>43357</td>
<td>57.8</td>
<td>I</td>
</tr>
</tbody>
</table>

It is noted from the above table that most of the employees are attracted and retained as top performers from the benefits of the company like ‘Job security’ which has been ranked first with a Garrett score of 43357 points. It is followed by the ‘Basic pay’, ‘Health care benefits’ and ‘Educational benefits’ which has been ranked second, third and fourth ranks with Garrett scores of 40762, 39584 and 38858 points respectively. The last rank is placed for the ‘Retirement benefits’ with a Garrett score of 38078 points. From the above analysis it has been noticed that the majority of the respondents are attracted and retained as a top performers with most influential factors like ‘Job security’ and ‘Basic pay’.

8. Suggestions:

IT sector have suggested concentrating more on low level employees, by providing more training and development programmes. Usually the low level employees who are fresh to their job and who has less than 5 years of working experience can be given more on-the-job training programmes, making them to attend seminars in their job related areas where the employees get benefitted and excel their talent.

Experience tells us that strong performers will always have choices about where to work. To retain their most valuable talent and build a foundation for tomorrow, now is the time to ensure that their talent practices are progressive and effective. Employees can be retained by providing adequate opportunities for career growth and opportunities, treat employees fairly – through compensation, rewards and recognition schemes, building an open environment and
culture, providing competitive remuneration packages, clarifying job responsibilities, continuous training opportunities for skill upgradation.

9. Conclusion:

The ability to develop leaders who can effectively face tomorrow’s global business challenges is critical to an organization’s success. But it won’t be easy. Demographic changes over the next five to ten years will make the competition for leaders even fiercer. Thus, many organizations have come to realize the only way to ensure a strong pipeline of leadership talent is to develop it themselves — an undertaking that has become increasingly challenging. While many of these actions appear straightforward, putting them in place is not easy. As with any organization-wide initiative, there is a need for discipline, innovation, and sheer persistence to see lasting results. Many of the organizations we’ve highlighted with effective talent management practices have been at it for years — consistently demonstrating their commitment to developing great talent.

10. References:

Journals:


6) Peter Cheese (2010). Talent Management for a new era: What we have learned from the recession and what we need to focus on next. Human Resource Management International Digest, 18(3), 3-5.


Books:


