

IMPACT OF TALENT MANAGEMENT STRATEGIES ON EMPLOYEE RETAIN THE TALENTED EMPLOYEE WITH REFERENCE TO IT SECTOR IN INDIA

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ABSTRACT

Talent management is a strategic approach towards growth in IT industry it is given that One of the biggest challenges facing companies all over the world is building and sustaining a strong talent. Not only do businesses need to adjust to shifting demographics and work force preferences, but they must also build new capabilities Executives and HR management have always been focused on basic talent management—acquiring, hiring and retaining talented employees. has been undertaken to understand the key drivers of employee's intention to stay in the current organisation based on the talent management strategies practiced by the Indian IT companies. In order to realize the stated objectives, the researchers have prepared a structured questionnaire and administered on 250 respondents. In the next phase, a robust multiple regression model has been run to identify the major determinants of intention to stay in the organization. In the current study, we found a significant relationship between the independent variables Open Climate and Innovation (X1), Career Development Path (X2), Quality of Working Environment (X4) and Job needs (X5) and Intention to stay in the Organization (DV). Further, it is recommended that the firms should focus on acquiring & developing talent by engaging them according to their competencies & fulfilling their psychological and social needs which ultimately results in talent retention.

Key words: Talent Management, Attrition, IT sector, Supervision, Innovation

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1. INTRODUCTION

Talent has become the key differentiator for human capital management and for leveraging competitive advantage. Talent management is fast gaining and has become top priority for organizations across the world. Talent management involves individual and organizational development in response to a changing and complex operating environment. It includes the creation and maintenance of a supportive and people-oriented organizational culture. Decisions about talent management shape and mould the competencies of organizations and their ultimate success. From the perspective of individuals, these decisions determine the path and pace of their careers. Talent management practices, in the long run, can have a crucial impact on the society as well. According to the Society of Human Resource Management's (SHRM) glossary of terms, talent management is 'the implementation of integrated strategies of systems designed to increase workplace productivity by developing improved processes for attracting, developing, retaining, and utilizing people with the required skills and aptitude to meet current and future needs.

Talent management is a term emerged in the 1990s to incorporate developments in HRM which placed more emphasis on the management of human resources or talent. It goes hand in hand with succession planning, which ensures that employees are recruited and developed to fill each key role within the company. However, most companies do not plan ahead for the talent they need by which they face shortage of critical skills at some times and surpluses at other times. It is expensive to develop all talent internally; rather than developing everyone internally, companies can hire from outside. Thus, the solution is to either make or buy; that is to train some people and to hire the experienced skills from the external market. "Making" an employee means hiring a person who doesn't have all the needed skills but who can be trained to develop them. The "buy" decision means hiring an employee required to perform a job who has necessary skills and experience. Major aspects of talent management include: performance management, leadership development, workforce planning and recruiting. Besides, make or buy decision, another important principle that works well in talent management is to run smaller batch size. Thus, rather than sending employees for long training programs, they can be sent to short programs more frequently. With this approach managers don't have to make training decision far in advance, thus ensuring that employees are trained on the skills they'll actually use.

2. REVIEW OF LITERATURE

The various aspects of talent management including recruitment, selection, on-boarding, mentoring, performance management, career development, leadership development, replacement planning, career planning, recognition and reward have been discussed by Heinen and O'Neill (2004) and Scheweyer (2004). Similarly, Lockwood (2006) emphasized that organization culture, employee engagement and leadership development may have a significant impact on talent retention in view of the changes taking place in workforce trends. On the similar notion, Haid (2012) while reinforcing it pointed out that leadership development has emerged as the central idea of a talent management strategy. Besides, Cappelli (2008)

accentuated the role of creation of internal opportunities focusing on development avenues for employees as the strategies for talent management in organizations. Moreover, engaging employees with the organization through practices like organizational culture, career planning and incentives organizational support has been found to show strong relationship with the talent management of the organizations (Bhatnagar, 2007). Douglas J. Novona, (2005). Through the study, the author has highlighted the factors which are responsible for the success of talent management activities. In this context, the author has stated that talent management activities, can seem intimidating and difficult to handle for managers and human resources in the organizations.

However, while discussing ‘talent’ author has referred to the most valuable function in the organization. In the opinion of the author, organizations do not survive without people and when the management people of the organization think and plan for the development of these products of value; things can be complex and appear multiple. For the successful talent management system of any organization, the author has suggested five points implementing the plan.

P. Chatterjee. (2013). Through this study, the article author has highlighted the problems for valuing employees’ talent. The author has critically stated that, in spite of leading contribution made by the employees, only a few organizations have taken initiative to show their value and contribution in the annual report of the organization. It is observed that, several studies have been made so far regarding the valuation of human resources, but in any study, no talented human resource has been considered as an asset of organization Amiri, M. and Nobakht, A. (2016). It was found that, performance management is an essential way to improve the effectiveness of organization and achievement of organizational goals. However, the effect of talent management among HR professionals and managers is more essential for improving the circumstance of the organization for achieving the goals.

Amiri, M. and Chavan, B. (2016). It could be said, however, the computerization of higher education and higher educational institution changed the way of teaching as well as learning of students and finding a better solution for identifying the skills of students. Here also the role of talent management among teachers and students can play an important role in identifying their hidden talent and skills for changing the condition.

L. A. Berger and Dorothy Berger. (2008). Authors have presented a talent management model based on the practice of high performing organizations. It consists of three linked elements, i.e. a creed, strategy, and system. The presented model requires that the principles of the organization’s creed are embedded into both its talent management strategy and in its talent management system by incorporating its doctrines into selection criteria, competency definitions, performance appraisal system for driving organizational success and also discussed on the integrating succession planning and career planning of employees.

Chattopadhyay, P. (2013). Author has stated that, it may be underscored that the return on talent is a calculable measure both- in quantitative and qualitative terms. In the opinion of the author, in typical organizational situations, this concept can wonder though it must be said in the organization, especially those belonging to the same ranks may create problems related to camaraderie. The author has further stated that, development of the right attitudes and enduring managers and people with required powers can bring forth result several times higher than the expenditure that may be incurred in finding talents, harnessing them and deploying them not only for the purposes of today but also tomorrow.

Amiri, M. (2015). According to the author, it is also increasingly recognized that wasted unused or hidden talent can literally shrink a person’s brain. The author has raised the question that, how can a person develop more talent given the complexity of the brain to recognize such hidden or unused talent and the rigidity of some workplace to value unique capabilities of its

workers? Anat Arkin, (2006). Author has stated that, step into any high street bank, chain store or another customer-facing business and the chances are that the people who serve you, will reflect all the rich diversity of the 21st century. The author has further stated that, enter these same company's headquarters and take the lift up to their executive suites and you are likely to find yourself in a mid- 20th century time warp.

Amiri, M. (2016). He has concluded that, for attracting customers, edible oil wholesalers have adopted various marketing strategies such as giving a free gift, advertising. But lack of talent management among wholesalers caused various challenges and problems. So, talent management is vital for edible oil wholesalers. Amiri, M. (2018). It observed that except for the management of stress among information technology employees in IT organizations for increasing productivity and decreasing the negative impact of stress on physical and psychological of employees, talent management is one the most important strategy for reducing stress by finding a better way to work in an organization. K. R. Manjunath and K. Jalaja, (2013). Authors have stated that, what is important for the organization is not to acquire quality human resources, but it is important for them to realize optimal value for them which requires them to develop such strategies to appraise-develop-retain the intellectual resources for creating long term sustainable competitive positions in the competitive or highly fragmented market conditions.

Acquiring the right talent and sustaining them for the long term would always ensure them with all the advantages of realizing strategic turnaround to the operations. M. Goldsmith and Louis Carter. (2009). Authors have highlighted on the most up to date thinking, tools models, instruments and case studies which are important with a view to identify, lead and manage talent within the organization. Through the study, authors have provided a vast number of thought-provoking ideas, tools, and models for formulating and implementing talent management strategies. Authors have also provided the case studies for planning and implementing on effective talent succession management strategy in the organization. J. Smilansky. (2007). He has discussed the systematic and strategic process of talent management of executives, Author has opined that, the real turning point for a business is when the management realized that if the managerial population does not reflect client base and cannot understand the consumer and therefore, they cannot provide them good service that the client wants to. This book is based on the interviews of senior HR professionals in 20 leading organizations of UK. The author has defined that, talent management as an integrated set of corporate initiatives aimed at improving the caliber, availability, and flexibility utilization of exceptionally capable (high potential) employees who can have a disproportionate impact on business performance. The author has concluded that, while most organizations are now seen talent management as a priority, there is still widespread reluctance to conduct an objective assessment of senior executive's capability and makes sure only the most talented individuals occupy key corporate roles. Singh, M. M., Amiri, M., & Sabbarwal, S. (2017). It observed that in Information Technology organizations various strategies like meditation, participation in programs for reducing stress among employees would be adopted. However, the identifying hidden talent of employees is not implementing properly by the managers. So, talent management along with other strategies should be adopted in an organization.

3. OBJECTIVES

- To explore the existing Talent Management practices in Indian IT sector in order to retain the most talented employees.
- How talent management is perceived at different levels of an IT organization

- To identify the major drivers of Talent Management practices in Indian IT sector from the perspective of the employees.

4. RESEARCH METHODOLOGY

As the study is quantitative and follows a deductive approach, survey research strategy is chosen for conducting this study. Surveys will be conducted through the use of questionnaires. This strategy is adopted because it provides an easy and inexpensive method of collection and comparison of standardised data from a sizeable population (Saunders, Lewis and Thornhill, 2016: 181). However, a limitation of survey strategy is that the data collected will not cover a wide range of respondents.

5. DATA ANALYSIS

The collected data was collated by using SPSS software. While analyzing the data the following three major steps were followed. Under step one, we tested the collected data's internal consistency by applying reliability statistics. For this purpose, the instrument's reliability was adjudged by employing Cronbach's alpha. The threshold Cronbach's alpha value fixed for this purpose was 0.7. Only those items whose Cronbach's alpha value was greater than .7 was retained for further analysis. Later various assumptions of the model have been tested. For this purpose, various diagnostic tests such as normality plot (this was investigated by framing histograms) and outliers were detected by employing boxplots. To get rid of multicollinearity, the researchers have run collinearity diagnostics such as VIF. In the second phase frequency table and cross tabulation have been run and inferential statistics have been run to arrive at the meaningful statistical inference. In the last phase, multiple regression has been run to identify the major determinates of intention to stay in the organization.

Table 1 Reliability Statistics

Factors	Items	C Alpha
Open climate and innovation within the department	12	0.949
Career development path	9	0.932
Supervision	7	0.907
Quality of Working environment	6	0.902
Job needs and requirements	3	0.873
Organizational environment	4	0.847
Compensation management and benefit	5	0.874
Dependent variable	8	0.943
Total	54	0.912

Source: Output generated from SPSS 21

Chronbac's Alpha based on standardized items were more than the threshold value of 0.7 Alpha coefficient of 0.7 and above implies that all the items in the scale are measuring the same thing (Saunders, Lewis and Thornhill, (2016)). It indicates that there is a high degree of internal consistency in the responses for the questionnaire.

5.1 ANOVA Results

In order to investigate is there any significant effect of gender and marital status on Intention to stay in the Organization and the interaction of gender and marital status on Intention to stay in the Organization, a two-way Anova has been conducted and the following are the results:

Table 2 Direct and Interaction Effect

Dependent Variable - Intention to stay in the Organization						
Source	Type III Sum of Squares	df	Mean Square	F	Sig.	
Corrected Model	693.857 ^a	3	231.286	4.145	.007	.048
Intercept	181099.917	1	181099.917	3245.900	.000	.930
Sex	.233	1	.233	.004	.949	.001
Marital status	303.888	1	303.888	5.447	.020	.122
Sex * Marital status	346.945	1	346.945	6.218	.013	.095

Source: Output generated from SPSS 21

A two-way Anova test has been conducted to find out any difference between gender (male vs. female), Marital status (married vs. unmarried), both gender and marital status (interaction effect) on Intention to stay in the Organization. It is evident from the above table that gender direct effect was not significant F value of .004, $p = .949$ such that men (Mean = 28.47) and women (Mean = 28.41) were not significantly differ with an Intention to stay in the Organization. However, for the second independent variable marital status, there was no direct effect on Intention to stay in the Organization. Reported F value was 5.447, $p = .020$ such that married (mean = 29.067) and second category unmarried (Mean = 27.17) were statistically significantly differ when it comes to direct effect on the dependent variable Intention to stay in the Organization. The partial Eta squared was showing .122 that is 12.2% variation in intention to stay in the organisation is being accounted by the marital status. The interaction effect was statistically significant on intention to stay in the organisation. Reported F value was 6.218, $p = .013$. The partial Eta squared was showing .095 that is 9.5% variation in touch aspect is being jointly accounted by gender and marital status. The Leven's test of homogeneity of variance was significant with Leven's statistics of 1.396 with a p value of .214.

5.2 One Way ANOVA

Table 3 One Way Anova Results

One Way Anova (Marital status with Open Climate and innovation)					
	Sum of Squares	df	Mean Square	F	Sig.
Between Groups	8.022	1	8.022	11.453	.001
Within Groups	173.709	248	.700		
Total	181.731	249			
One Way Anova (Marital status with Career Development Path)					
Between Groups	6.793	1	6.793	8.571	.004
Within Groups	196.547	248	.793		
Total	203.340	249			
One Way Anova (Marital status with Supervision)					
Between Groups	5.581	1	5.581	8.338	.004
Within Groups	166.002	248	.669		
Total	171.584	249			
One Way Anova (Marital status with Quality of Working Environment)					
Between Groups	7.755	1	7.755	9.858	.002
Within Groups	195.109	248	.787		
Total	202.865	249			

One Way Anova (Marital status with the Job needs)					
Between Groups	.916	1	.916	1.216	.271
Within Groups	186.817	248	.753		
Total	187.733	249			
One Way Anova (Marital status with the Organizational Environment)					
Between Groups	11.495	1	11.495	12.345	.001
Within Groups	230.908	248	.931		
Total	242.402	249			
One Way Anova (Marital status with Compensation Management and Benefits)					
Between Groups	8.593	1	8.593	11.743	.001
Within Groups	181.471	248	.732		
Total	190.064	249			
One Way Anova (Marital status with the Intention to stay in the organization)					
Between Groups	4.804	1	4.804	5.404	.021
Within Groups	220.493	248	.889		
Total	225.298	249			

Source: Output generated from SPSS 21

There was a significant effect of marital status F value of 11.453, $p = .001$ such that married (Mean = 3.80, SD=.794) and unmarried (Mean = 3.39, SD = .871) are significantly differ while perceiving the Open Climate and innovation by marital status of the respondents. However, Levene's statistics for homogeneity of variance based on Mean was 1.346, $p = .232$. There was a significant effect of marital status F value of 8.571, $p = .004$ such that married (Mean = 3.67, SD=.614) and unmarried (Mean = 3.32, SD = .771) are significantly differ while perceiving the Career Development Path by marital status of the respondents. However, Levene's statistics for homogeneity of variance based on Mean was 1.521, $p = .219$. There was a significant effect of marital status F value of 8.338, $p = .004$ such that married (Mean = 3.97, SD=.513) and unmarried (Mean = 3.53, SD = .671) are significantly differ while perceiving the supervision by marital status of the respondents. However, Levene's statistics for homogeneity of variance based on Mean was 1.321, $p = .115$. There was a significant effect of marital status F value of 9.858, $p = .002$ such that married (Mean = 3.86, SD=.621) and unmarried (Mean = 3.53, SD = .791) are significantly differ while perceiving Quality of Working Environment by marital status of the respondents. However, Levene's statistics for homogeneity of variance based on Mean was 1.031, $p = .095$. There was no significant effect of marital status F value of 1.216, $p = .271$ such that married (Mean = 3.97, SD=.715) and unmarried (Mean = 3.89, SD = .783) are not significantly differ while perceiving Job needs by marital status of the respondents. However, Levene's statistics for homogeneity of variance based on Mean was 1.251, $p = .113$.

There was a significant effect of marital status F value of 12.345, $p = .001$ such that married (Mean = 3.66, SD =.613) and unmarried (Mean = 3.21, SD = .712) are significantly differ while perceiving Organizational Environment by marital status of the respondents. However, Levene's statistics for homogeneity of variance based on Mean was .468, $p = .494$.

6. FINDINGS AND SUGGESTIONS

In order to realize the stated objectives, the researchers have collected 250 responses. The collected data's internal consistency has been investigated by applying reliability statistics. For this purpose, the instrument's reliability was adjudged by employing Cronbach's alpha. The threshold Cronbach's alpha value fixed for this purpose was 0.7. Only those items whose

Cronbach's alpha value was greater than .7 was retained for further analysis. In our analysis, the alpha value ranged from 0.847 to 0.949. It implies that there is a high degree of internal consistency in the responses to the questionnaire. Later, the collected data was tested for normality assumption (this was investigated by framing histograms) and outliers have been eliminated by employing box plots. To get rid of multicollinearity, VIF diagnostics was run. In the second phase, frequency table and cross tabulation was run and later inferential statistics was employed to arrive at a meaningful inference. In the last phase, a robust multiple linear regression model was run to identify the major determinates of Talent Management practices in Indian IT sector. Majority of the respondents felt that the immediate supervisor discusses about the future career development path with them individually. They also felt that they get all the information required for the work, from the sources they prefer. In contrast, some of the respondents felt that there is a communication gap between the supervisors and the employees while discussing the career growth prospects.

7. CONCLUSION OF THE STUDY

The policy makers should develop appropriate compensation management along with fringe benefits to attract, nurture and retain the talent in the organization. The superiors of the company should be a competent manager and well trained to handle situations. It is also advisable that the superior should be a good leader to guide the subordinates and assist them with whatever they need, along with providing them timely recognitions. In a nutshell, it is difficult for organizations to retain talented employees due to higher growth expectations & high mobility of the employees. Therefore, keeping the talented employees happy, nurtured and satisfied is very important. The companies should be very careful in acquiring & developing talent by engaging them according to their skill & fulfilling their social & psychological need which ultimately results in talent retention & linked to talent management. Therefore, keeping the talented employees happy, nurtured and satisfied is very important. The companies should be very careful in acquiring & developing talent by engaging them according to their skill & fulfilling their social & psychological need which ultimately results in talent retention & linked to talent management. If the above-mentioned suggestions are seriously considered by the IT sector and necessary changes are brought in by the policy makers, it would become easy to retain the talented employees within the organization. Thus, it becomes imperative to develop a talent pool and provide them with profitable career opportunities within the organization to achieve organizational success.

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