

A STUDY ON EMPLOYEE UNDERSTANDING OF TALENT MANAGEMENT STRATEGIES IN SOFTWARE COMPANIES WITH SPECIAL REFERENCE TO CHENNAI CITY, TAMILNADU"

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Abstract

In business, due to the current emphasis on intangible assets such as brand names, innovation, creativity, and entrepreneurship, greater than in the past, the arenas of today cater to companies that can harvest the potential of their key resources. In the globalised competitive business environment, organizations have to get adapted to the dynamic business practices. Talent management is an important factor in the business strategy, as every organization virtually needs to aspire to respond to the changes in the business environment. Positive transformations are possible through the efficient implementation of talent management practices in the organizations. Hence, this research is carried out to evaluate the talent management strategy of employees in software industry with reference to Chennai District of Tamilnadu.

The main idea of this research work is to analyze the various factors influencing effectiveness of talent management strategy of the selected respondents in the study area as to know how the software industries look upon talent management as an instrument for developing employees and through them increase organizational performance levels.

Evaluation of talent management strategy is done in this research work related to Attraction, Retention, Motivation, Development and career planning of the employees are collected in the form of opinions. A structured questionnaire was used for collecting the primary data from 900 employees of ten software industry with the help of statistical tool based analysis. Additionally, in depth interviews were also conducted to the respondents to supplement the primary data. The results are arrived based on the analysis of the research work using various statistical tools.

Based on the findings, recommendations were given to the organizations to overcome the problems identified and improve the efficiency of its talent management importance by implementing talent management strategy to the employees, which may be dynamically pursued and made essential. Companies are making sincere efforts to retain their employees through performance-linked benefits and better prospects to talented persons.

Introduction

In today's challenging business environment of going global and competition becoming strong, organizations have increasing pressure to perform better than before. To carry out this mission, organizations should develop and organize talented people who can clear the excitement and vision of their organizations. Though functional quality, technical competency, marketing ability, power and coerce are always important, talent-intensive organizations also need soft skills that help carrying out across departments.

Not only Software Companies, no organization can rest in peace under the hypothesis that once they have recruited the employee in position, their job is done. The real challenge that is faced by these industries is not hiring the right person for the right job, neither their Performance Management System, nor their Work Climate nor Culture, but in retaining the employee. It is proven further than disagreement that it is the people who build or break the organization.

Managing the talent of key employees is important to attain the success in long-term by any organization. Talent management involves individual and organizational development in response to a changing and difficult working environment. It includes the formation and protection of a supportive, people oriented organization culture.

Talent Management Strategy to Create a High – Performing Workforce

Executives and HR management have always been focused on basic talent management – acquiring, hiring and retaining talented employees. But, to drive optimal levels of success, business leaders need engaged, high-performing employees. The key to inciting a workforce to greatness is to align your talent management with company strategy, define consistent leadership criteria across all functional areas, and identify specific competencies (analytical, technical, education, experience) to cultivate for continuing growth.

Business leaders who implement the best talent management processes are more prepared than their competitors to compete in the global economy and capitalize quickly on new opportunities. True success is only available when companies do more than adapt to long-term trends; they must be able to anticipate and jump on new opportunities before the rest of the market. A strategic talent management plan allows you to:

- Become "proactive" versus "reactive". Fill your critical talent management needs and address company and industry changes promptly;
- Identify essential skills to be developed in all employees, and minimize training costs by focusing on key development areas; and
- Improve your recruiting process by identifying high-quality candidates using job descriptions based upon the expertise of your high performing employees holding uniquely valued company or industry competencies.

Shortage of Talent in Developed Countries Despite the current economic downturn and unemployment, most developed countries, including the United States, Germany and Japan will face long term talent shortages mainly due to ageing and the retirement of baby boomers. There are more workers retiring than entering the labor force in these countries. By 2020, for every five retiring workers, only four new workers will join the labor force in most developed countries. According to one estimate the United States will need to add 26 million workers to its talent pool by 2030 to sustain the average economic growth of the two past decades (1988-2008) unless a technological breakthrough replaces manpower, while Western Europe will need to add 46 million employees (World Economic Forum, 2010). The shortage of workers is predicted across most industries, including manufacturing, construction, transport and communications, trade, hotel and restaurants, financial services, IT and business services, health care, public administration, and education.

Challenges and Trends in Human Capital Management

The last 20 years have been difficult for the public service. We have seen too many reforms leading to too few results, too much rhetoric, too many keepers of single truth, and not enough

wise leaders. Over the last 20 years, new forces such as globalization, information technologies, and innovation have transformed the way we think about governance, the role of government and the work done by public sector institutions. Both developed and developing countries have undertaken wide ranging reforms. Some have been remarkably successful; others not. We have seen progress on many fronts in different parts of the world, and we have also made enough mistakes that it should now be possible to look back and assess the lessons learned, as we turn our attention to the challenges ahead. Some resounding reform successes are worth noting:

- The construction and expansion of the European Union is one of the greatest achievements of our time in building a governance system based on progressive economic integration, democratic principles and human solidarity;
- The transition from an apartheid regime to a democratic society that guarantees equal rights to all citizens in South Africa has given hope to many who are leading ambitious reforms; and
- The successful transition from centrally planned economies to market economies in countries such as Slovakia, Hungary, Poland, etc. is showing the way to others.

Recent Government's Hr Policy

The government's HR policy appears putting importance towards education & skill development of Indian youth (male & female). Education leads to enlightenment and empowerment. Educated and enlightened women employees will be self empowered to understand their rights and duties. The biggest changes brought through amendment of labour laws like laws related to PF, Maternity Benefits etc. and many more in row will definitely put HR in testing times. HR is nowadays an integral part of business, every small or big decision impact HR function which is putting in compliance function to make things operational and make the things work.

Statement of the Problem

In an organization, there is nothing more important than fitting the right employee in the right place, or else you would be trying to fit a square fix in a surrounding gap. When people do jobs that presently don't suit their liking, preference or temper, the results, or rather the lack of them will be clearly unfortunate. Low productivity, dissatisfaction, low morale, absenteeism and other negative behaviors will become usual till the employee is revealed the door. Otherwise, there is another option –Talent Management, which is a aware, conscious approach undertaken to attract, develop and retain people with the skill and abilities to meet current and future organizational needs.

Organizations need to have a vision and a well defined strategy on hiring for the future. India has become the outsourcing resources of the world and this has produced its own set of HR challenges. India's biggest problem is that potentially qualified graduates are becoming inadequate. Despite large population, the supply of graduates cannot keep up with the roughly increasing demand.

Objectives of the Study

In the present study, the objectives framed to guide the research process are as follows:

- To identify cause and level of talent management strategies among the employees in software industry.
- To examine the employees attitude towards job environment and talent management strategies in software industry.
- To study the employees opinion towards working relationship with respect to demographic factors.
- To suggest suitable measures and strategies of talent management and strengthening the work environment in software industry.
- To analyse the coping strategies of talent management among employees in software industry.

Methodology

Sample Data

The present study is an empirical research based on survey method. The collected data for the study are both primary and secondary. While the primary data were collected from the employees through a well-structured questionnaire, the secondary data were gathered from the national and international journals, on line journals, previous research studies, magazines, articles and other records. The information gathered from primary sources is covered the respondent's perceptions on strategic talent management contents, process and context and their evaluation in terms of talent management program and its impact on organizational activities and performance.

Sample Respondents

The term Population is defined as the "total collection of individuals or objects that forms the focus of the research", whereas the sample is "a selected part or a subset of the population (Pretorius 1995). According to Pretorius (1995), research is generally conducted to make inferences about the population based on the information available about the sample, in order to make inferences from the sample to the population. A number of formulae have been formulated for determining the sample size depending upon the availability of information. The researcher has used the below mentioned formulae for calculation of sample size for an unknown population based on the pilot study of 50 respondents from IT companies.

$$n = \frac{p \times (1 - p) \times z^2}{E^2}$$

From the pilot study the exact number of agreed and disagreed respondents have been arrived and the same was substituted in the aforesaid formulae to determine the sample size. On the basis of proportion of agreement status of the respondents (p) in the pilot study comes around 80 per cent and the disagreement status of the respondents (1-p) accumulated into 20 per cent with the standard error (E) at 5 per cent for the confidence interval of 99.99 per cent

expressing the Z value of 3.719, the sample size 'n' was determined using the aforesaid formula is 885. Hence to reduce the sample bias and strengthen the sample, higher than the calculated sample size is assumed for the present study and it is fixed at 900. In order to collect the primary data from the IT professionals' prior permission have been obtained from various companies and structured questionnaire was administered for the same. Maximum of 1000 questionnaire was used to collect the primary data, the unfilled questionnaires are finally omitted and 900 duly filled questionnaires are included to successfully reach the expected sampling size.

Review of Literature

McKinsey survey, (2014), India is likely witness a shortfall of half-a-million people in the business process outsourcing industry. This will force IT companies in India to ensure that recruitment processes are aligned with retention strategies. Accordingly, some companies have been making a paradigm shift in their hiring process by focusing on competency frameworks and other relevant tools to retain talent. In some cases, companies recruit employees belonging to an older age bracket, for grant of a higher degree of employee stability and commitment.

M.Maya, (2015), managing talent in a global organization is much more complex and demanding than in a national level organization. And only few global corporations have come out with innovative strategies to handle the challenges related to Talent Management better. Talent Management should be part of the strategic decision making process of the organization, regardless of the business conditions. This paper investigates the characteristics essential for a good talent management system. For measuring the characteristics of Talent Management system in Indian Information Technology organizations, twenty five variables were measured. In the present study twenty five variables are reduced into seven factors which would explain the original data in detail. Principal Component analysis with vari-max rotation is used to group the factors. Keywords: India, Information technology, Characteristics, Talent Management, factors.

Hypotheses for the Study

- There is significant difference on various stages of talent management process among different level of age groups.
- There is a significant correlation among various HR measures adopted for talent management in software companies.

Analysis and Interpretation

Table No 1 Kruskal-Wallis Test for Factors Influencing to Join in the Present Organization based on Age Group - Mean Rank

Factors	<20	20-25	26-30	31-35	36-40	Chi-Square	df	Asymp. Sig.
Salary	448.31	440.01	468.42	491.83	414.46	3.268	4	.514 NS
Retirement Benefit	424.61	453.02	441.80	545.32	493.07	8.200	4	.085 NS
Career Development	470.64	444.08	455.72	405.66	499.43	3.171	4	.530 NS

Working conditions	456.66	457.18	437.41	398.09	528.54	4.073	4	.396 NS
Supervision/Management	435.06	460.15	443.12	397.36	582.96	6.946	4	.139 NS
Fringe benefits	421.45	467.95	432.35	411.93	597.29	10.704	4	.030*
Recognition and rewards	442.91	463.23	432.85	414.73	498.93	3.633	4	.458 NS
Job security	487.95	444.82	449.55	385.67	441.25	6.303	4	.178 NS
Company Image in the society	463.46	455.29	437.49	365.64	616.50	11.666	4	.020*
a. Kruskal Wallis Test								
b. Grouping Variable: Age Group of the Respondents								

*-significance 5%, NS-Not Significant

It can be seen from the above table that very high values of chi-square and very low values of p ($<.05$) for the factors Fringe benefits and Company Image in the society verify that there is no sufficient evidence to accept the null hypotheses and it is concluded that the distribution of ranking pattern is not same among respondents in different age groups on Fringe benefits and Company Image in the society factors influencing to join in the present organization.

But for all the other factors, Salary, Retirement Benefit, Career Development, Working conditions, Supervision/Management, Recognition and rewards and Job security the very high value of p ($>.05$), it is again verify that there is sufficient evidence to accept the null hypothesis and it is concluded that the distribution of ranking pattern is same among respondents in different age groups on all the factors Salary, Retirement Benefit, Career Development, Working conditions, Supervision/Management, Recognition and rewards and Job security influencing to join in the present organization.

Table No 2 Correlation Coefficient

S.No	Components	1	2	3	4	5	6	7	8	9	10
1	Performance Appraisal Method	1	.670**	.673**	.651**	.602**	.549**	.505**	.591**	.609**	.565**
			.000	.000	.000	.000	.000	.000	.000	.000	.000
2	Working Environment		1	.683**	.668**	.639**	.570**	.605**	.598**	.624**	.533**
				.000	.000	.000	.000	.000	.000	.000	.000
3	Career Planning and Development			1	.710**	.644**	.584**	.518**	.643**	.650**	.596**
					.000	.000	.000	.000	.000	.000	.000
4	Organizational Culture				1	.683**	.572**	.601**	.638**	.596**	.505**
						.000	.000	.000	.000	.000	.000
5	Training					1	.543**	.537**	.607**	.588**	.533**
							.000	.000	.000	.000	.000
6	Welfare Measures						1	.639**	.537**	.572**	.668**
								.000	.000	.000	.000
7	Health and Safety Measures							1	.585**	.569**	.510**
									.000	.000	.000
8	Leadership Qualities								1	.663**	.568**
										.000	.000
9	Job									1	.667**

	Satisfaction										.000
10	Employee Benefits and Policies										1

** . Correlation is significant at the 0.01 level (2-tailed).

The above correlation coefficient table 4.7.1 explains the significant p value at 1% significant level among various HR measures adopted for talent management in software companies. It is further noticed from the table 4.7.1 that there is a high positive correlation among all the ten study variables. It shows high positive impact of one variable on the other. It is concluded that perception on various HR measures is considered to be the major influencing factor which determines the successful adoption of talent management strategies in software companies.

Findings

- Age plays an important role in Fringe Benefits and Company Image in the Society. Salary, Retirement Benefit, Career Development, Working Conditions, Supervision/Management, Recognition & Rewards and Job Security do not have any significance among the age group. Above 30 years age group respondents were of the opinion that Fringe Benefits and Company Image in the Society is the main reason to join in the present organization, whereas below 30 years age group respondents do not think so.
- It is found from the correlation coefficient Analysis that In the case of various HR measures adopted for talent management all the selected ten independent variables are having high positive significant association with talent management.

Conclusion

Talent Management is providing a continuous opportunity for software industries to develop their organizational performance level. A strong talent management practice system helps to make good performer in the organization at employee's level. The software industry in Chennai district must concentrate to encourage a talent management approach to the employee's level and perform to supporting talent management practices to apply in the employee's level to improve the organizational performance level.

By implementing an effective talent management strategy, including incorporated data, processes, and analytics, organizations can help certify that the right people are in the right place at the right time, as well as Organizational willingness for the future. By delivering an improved employment experience to employees, organizations and HR departments particularly have a critical role to play in getting the best from employees, which is a key driver of act in today's economy.

Suggestions

1. Every organization needs to align their talent management system to their specific business requirements. There is no one way to do talent management;

2. Career path and development should be announced as one of the major corporate policies in order to motivate talent, and potential employees to contribute their resources for the company and their future.
3. Training and development program should be based on a corporate strategy in order to manage budget and employees' efficiency. Open communication should be encouraged in order to decrease employees stress and increase creativity.

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