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A Study On Talent Management Practices In India

B.Kirthik M.Com., M.Phil., Dr. I. Savarimuthu M.Com., M.Phil., Ph.D.,

1Ph.D Scholar (Full Time) P.G Department of Commerce St. Joseph College of Arts and Science (Autonomous) Cuddalore- 607 001
2 Head and Associate Professor Department of Commerce St. Joseph College of Arts and Science (Autonomous) Cuddalore- 607 001

ABSTRACT

VUCA (Volatile, Uncertain, Compound and Ambiguous) environment have become the order of the day, so much so that they have become acknowledged by the terms like "perpetual crisis" in leading industry and business circles. This is essentially a signal by top industry professionals to it employees unanimously that should see the VUCA world as a permanent condition. Against the backdrop of this context talent management is giving sleepless nights to top HR professionals. Coupled with the VUCA forces, globalization, talent mismatches and knowledge economy has ensured an ensnarling talent crunch for organizations. Practitioners press is seasoned with articles on talent management and employee engagement still there exists a disturbing absence of lucidity around the meaning and span of terms talent and employee engagement. Understanding the complexity of today's times complemented by the embracing of start- up revolution, the following research study sought to explore and investigate the relationships of talent management practices with employee engagement.

Key Words: Employee engagement,Organizations, Practitioners, Talent engagement

INTRODUCTION

 The current globalized world has thrown open a new business challenge for the organizations. Globalization has mandated businesses to expand operations from prime economies to increasing economies. Their success is posited upon how effectively and efficiently they can utilize their knowledge. The augmented reliance on skilled cum knowledge workers has put immense weight on corporate to improvise their talent engagement systems and the technologies as well. The blurring line between employees within the companies and those without is also propelling talent engagement changes, specifically around sourcing, strategic manpower planning and workforce engagement. Against the backdrop of this context, top executives around the world have realized the pressing need for talent management, with an understanding that talent is the only source of long term business success. Skill shortages and competency misfits are becoming a serious threat for companies. It becomes crucial to align talent engagement practices with corporate strategy. Ironically, the task of managing employees even till today rests on the shoulders of HR, when actually it should be a shared responsibility and needs to be a part of the business tactics owned by higher echelons of the industry.

Motivation of the study

        Strategy is the landmark for any organizational success (Worley, Hitchin and Ross, 1996). Talent Management has become a critical mission for organizations. The literature is ripe with work on this area with contemporary trends in talent management, talent management metrics, talent incursion, retention, talent poaching explicitly seen in text cutting across the globe like the UK, USA Australia, Japan, China, India and across Asia (Yeung 2006; Rupee, 2006; Dunn, 2006; Chugh and

Bhatnagar, 2006; Lewis and Heckman, 2006; Lewis, 2005; Branham, 2005; Bennett and Bell, 2004). The ever augmenting competition and the absence of accessibility of extremely gifted manpower has transformed spotting and maintaining gifted employees a prime concern for companies (Fegley,

2006).Ironically, acceptance of this fact has even failed to give a wakeup call to the organizations due to the absence of aggressive and in place talent management strategies. Volatile, uncertain, compound and ambiguous environments (VUCA) are creating a perfect storm of talent engagement. There are very minimal studies in research which explores the association/ no association between Talent Management and Engagement. The studies conducted by Forman (2005) and Romans and Lardner (2005) focused on talent management practices and associated practices; whereas Bhatnagar (2007) investigated employee engagement and tried to give a link between engagement and talent retention. Studies have been conducted by practitioners and various consultancies like Gallup Consultancy, Hewitt Associates, and Institute of Employment Studies (IES) in the field of employee engagement with emphasis on organizational performance, business outcomes but none of them have examined the relationship on talent management practices with engagement.

Perceptions of the respondents on Motivation

Table-1 Perceptions of the respondents on various dimensions of Motivation

S. No	Sub Scales	Frequencies (Percentage)					N	Mean	S. D
		SA	A	N	DA	SD			
	Motivation								
1	Management focus on keeping employee motivated	385 (32.1)	517 (43.1)	266 (22.2)	27 (2.2)	05 (0.4)	1200 (100)	4.04	0.81
2	Employees are satisfied with the tools of motivation provided by management	228 (19)	538 (44.8)	398 (33.2)	31 (2.6)	05 (0.4)	1200 (100)	3.79	0.78
3	Motivational factors motivate employees	277 (23.1)	528 (44)	349 (29.1)	30 (2.5)	16 (1.3)	1200 (100)	3.85	0.84
4	Fair Promotions motivate employees	286 (23.8)	509 (42.4)	322 (26.8)	57 (4.8)	26 (2.2)	1200 (100)	3.81	0.92
5	Financial Incentives motivate employees	309 (25.8)	509 (42.4)	325 (27.1)	37 (3.1)	20 (1.7)	1200 (100)	3.88	0.88
6	Esteem needs when met employee feels motivated	280 (23.3)	481 (40.1)	382 (31.8)	42 (3.5)	15 (1.2)	1200 (100)	3.87	0.71

Graph-1.1: Mean scores of the respondents on Motivation

	1	2	3	4	5	6
Series 1	4.04	3.79	3.85	3.81	3.88	3.87
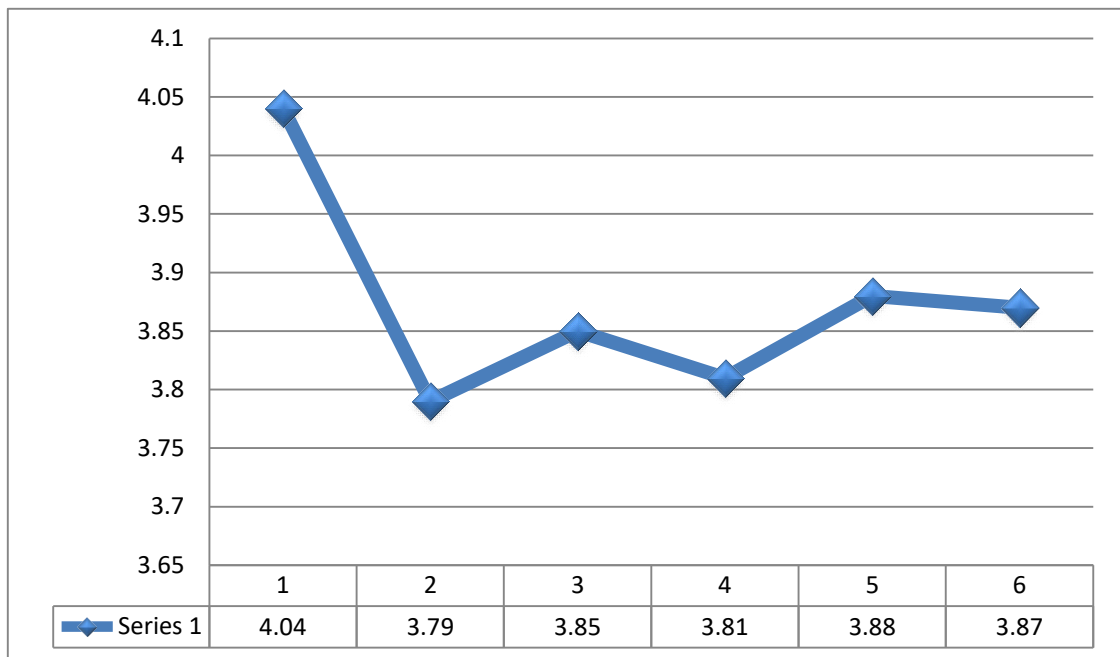
The IT/ITES Industry in India

The ITES/BPO sector has turned out an assorted and a swiftly expanding offshore market with an ambitious yearly expansion rate of 60 percentage (Tapper, 2004). Unmatched blend of low costs, in-depth methodological and language expertise, mature retailers and right government guidelines have ascended India as one of the premier off shoring hub across the world (A.T. Kerney, 2007). India undoubtedly commands supremacy in terms of its competitive advantage to other countries in their back-end work. Approximately 100,000 engineering graduates churned out every year are deployed in technical support work in these BPO (A.T. Kerney, 2007).

As per, a study by Budhwar et al. (2006) with Indian sub-continent projected revenues of $148 billion till 2012, the IT/ITES sector mandates straight hiring of above 3.7 million people. India does have a wide reservoir of "talent pool", but they lack the requisite industry skills because of which their talents are scarce. This has led to amplified stage of poaching and employee turnover cases. The attrition figure is highest in IT/ITES sector at (31%) followed by telecom, banking and financial services, aviation and hospitality real state and FMCG. The attrition rate in this sector at present hovers around 30- 35percent.

REVIEW OF LITERATURE

Talent Management has appeared to be the latest "searched" word in (HRM) dictionary. A 2007 hit on the term "Talent Management" on Google search engine exhibited possibly 5,75,000 hits, with terms as Talent management trends , Talent management solutions capturing numerous Human Resource Management (HRM) periodicals and journals. Despite being a popular buzzword and apparent popularity, there is disturbing lack of clarity around the concept of Talent Management. The universal fact is that talent and intangible capital of organization are the ones that propel the organization in the current economy (Forman, 2005; Michaels et al., 2001).

The concept of Employee engagement emerged in 2006, when Central Institute for Personnel Development (CIPD), undertook review of level of engagement in the UK workforce, result of which were available in report entitled Working Life: Employee Attitudes and Engagement (Truss et al 2006).

The prominent and prime issue in the text is the absence of unanimously and commonly established definition of employee engagement. The major work on employee engagement presents it as an emotional state (e.g. obligation, attachment, engrossment and affection etc.), an outcome/output construct (e.g. profile performance, endeavours, visible actions, corporate citizenship conduct etc.Macey and Schneider, 2008a) or an outlook. The pre wave was marked by the acceptance of the universal urge of workforce to engage with their role profile and the organizations they were associated with. For instance, Katz and Kahn (1966, p.388) mention about the employee behaviours important for securing organizational effectiveness. They have not used the word employee engagement, but their study recognized the importance and its association with organizational success.

The early 1990's began with revered scholastic study on engagement by (Kahn 1990, 1992). Kahn is revered to as the pioneer in the area of workforce engagement. His study his appreciable yet he does not use the calibration particularly and his qualitative work primarily focused on personal engagement. It was seen that an engaged employee was immersed in his job physically, cognitively and emotionally. The term Kahn (1990) used to portray these calibrations is 'individual engagement' and 'individual disengagement'. The presence of three psychological factors defined the engrossment of an individual to a role profile fully. Those were the likes of core job characteristics (meaningful work), safety/equity (social essentials including management approach process &organizational regulations) and the accessibility (individual distractions).

The time period between2000-2005witnessed acknowledged work from both academicians and practitioners. The consultants at Gallup and Hewitt Associates carried out study with the specifically designed questionnaire called as Gallup Workplace Audit (GWA) (Harter et al., 2002) and the Q12 employee engagement questionnaire (Harter et al., 2003; Harter and Schmidt, 2008).DDI (2005) used the description 'the degree to which employees treasure, like and consider in what they perform and include the element of feeling valued. Another major consultant/ researcher, the time was also marked with an understanding and manifestation of employee engagement from the field of psychology, termed as positive psychology. The presence of several factors defines the presence of positive attitude and that the absence of these factors or other factors leads to burnout (Masclach et al., 2001; Harter et al., 2002; May et al., 2004). The defining areas which lead to engagement and burnout are pecuniary benefits and acknowledgment, organizational and supervisor support perceived equity of rewards and fairness of processes (Masclach et al.) The major criticisms of the study are that describing engagement as an antithesis of burnout is not adequate, as engagement and burnout are two distinct terms. The study undertaken by Kahn (1990) and Maslach et al (2001) are significant in terms of defining the necessary antecedents or the drivers for the existence of engagement. But the major drawback of these studies is that they do not provide sufficient justifications as to why individual responds to these drivers with varying scales of engagement.

The time between2006-2010witnessed great deal of work in the area of engagement from academicians. The prime work in this area comes from Saks (2006).Offering support to Kahn's (1990)

work on engagement, Saks refers to engagement of employees as a culmination of rational, non-cognitive and behavioural components. Building and maintaining talent essentiates talent engagement. The talent management approach must be changed. There are various important fundamental theories that lead talent management strategy towards engagement and at the end towards organizational efficacy. The prominent theories those that drive talent management programs to employee engagement include, Resource Based theory (Barney, 1991), Integrated Strategic Change Theory (Worley et al., 1996) , Built – To- Change Theory (Lawler and Worley, 2006)and Talent ship (Boudreau and Ramstad, 2005). But it is the passion and dedication and commitment of top management that defines the success of talent management. The dedication and sincerity must be preceded from the top management and that needs to percolate and be inducted in the culture. Ready and Conger (2007) have very rightly mentioned the three essential ingredients of an organization's talent management strategy as; dedication engagement, and ownership.

Aims of the Research Study

1. To identify the factors affecting Talent management practices in IT/ ITES industry
2. To examine the relationship of Talent management practices with employee engagement.
3. To put forward suggestions with a view to enhance Talent management practices in IT/ITES industry.

RESEARCH METHODOLOGY

Sample the data reported in this paper is to analyze talent management practices in IT/ITES industry. Research adopted the survey approach to collect primary data. As population mean is not known, researcher has used population proportion method to measure and define sample size. The level of confidence and the permissible tolerance error undertaken by the investigator were 95% and at 0.05as population were unidentified. Taking the following aspects into consideration, the needed sample size was 385, and the actual numbers of respondents were 393, were comfortably superior to the threshold. A well thought out non-disguised questionnaire was developed to seek the data needed for the said research study.

The measuring instruments were passed to the sample of 393 respondents who are working in IT/ITES industry for more than 01 year. The said research study utilized convenience non-probability sampling coupled with exploratory and descriptive design of research. To accomplish the primary aims of the study, factor analysis and multiple regression tests were undertaken

The Analysis Instruments

All the research instruments utilized in the present study of research are either borrowed or personalized from the previous research studies undertaken in the areas of talent management and engagement. The questionnaire in line with the study was basically bifurcated into two heads. The first head constituted mainly on the elementary information like the demographic details of the respondents, while the second head sought information on the specific dimensions of talent management practices and employee engagement. Pilot testing was executed with an objective to find the reliability of the scale. It was followed by certain minor changes. The responses sought from

the respondents were primarily on a 5 point Liker scale ranging from "strongly agree" (5) and "strongly disagree" (1)

Conclusion

The study is of value as it would assist organizations to improvise their talent management practices with a view to enhance the engagement of its employees. The study in its best of efforts has tried to bring forth to light the significant drivers of talent management and engagement. The study would provide insight to the organization and HR practitioners to take engagement from a piece meal approach, since the current workforce employed in IT industry is in stark contrast to their predecessors in terms of personality, working styles and motivational needs. It is advisable that organizations should keep a tab on organizational and departmental communication by way of unconventional media like digital blogs and posts. The current generations have an instinctual urge of being a part of the success story of the organization. They are driven by the WISTFM ("What's in store for me") fundamental. So it is advisable that over emphasis on rules and regulations be avoided. The importance of communication could also be brought home to them by way of workshops utilizing contemporary training modules on drama, theatre and neurons linguistic programming etc. Career progression is at core. It is therefore advisable for the organizations to create ecosystem where the current workforce can see themselves developed.

Innovative opportunities for development like stretch assignments, high potential program, and power packed coaching, blended training could be the right pack to pick. As far as Performance evaluation and management is concerned, current generations addiction to digital gadgets and the other allied means of networking have made them accustomed to continuous and regular feedback. Organizations therefore should realize and abandon the one time ritual of performance evaluation by way of bell shaped review measure to more frequent and constructive mechanism. Employee engagement is found to have positive tangible and intangible outcomes like customer engagement, successful organizational change, and employee advocacy. The future research could also explore the moderating or mediating role of employee engagement on the said factors. The research studies conducted seeks to offer information on the appreciable and appalling practice in the specific research area. Talent management, as a strategic intervention is not a one-step exercise.

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