

## A STUDY ON TALENT MANAGEMENT WITH SPECIAL REFERENCE TO IT COMPANIES

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### Abstract

**Introduction:** Talent management is gaining high importance and is the primary step in fulfilling the requirements of industries for a competitive, motivated and versatile Human Resource which will help achieve its objectives. It is a key aspect that contributes to the industries success or failure. This paper focuses on the concept of talent management in various IT companies as human resource is that the most vital think about IT industry.

**Purpose:** The purpose of the study is to understand the essence & significance of Talent Management for organization. To Study the Talent Management practices at selected organizations. To present a set of leading Talent Management practices based on the learning gathered from the overall study.

**Methods:** Descriptive and exploratory research study has been conducted with the help of secondary data and primary data. The researchers have done extensive literature review to create up the theoretical framework of talent management in this companies.

**Finding:** The finding of the paper highlights commonly followed talent management practices within the IT companies.

**Key words:** Talent management, IT companies



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### INTRODUCTION:

**“Companies must make talent management a top priority – create and continuously refine their employee value proposition, and source and develop talent systematically” (McKinsey & Co.)**

The term “Talent Management” was coined by McKinsey & Company following a 1997 paper and 2001 book on “The War for Talent”. Talent consists of those individuals who can make a difference to organizational performance either through their immediate contribution or, within the longer-term, by demonstrating the absolute best levels of potential. Talent management is that the systematic attraction, identification, development, engagement, retention and deployment of those individuals who are of particular value to an organization, either in view of their high potential for the long run or because they're fulfilling operation-critical roles. The process involves in-depth analysis and workforce planning to identify the gaps between the current and future skills required. Thus, various approaches are undertaken

to attract, develop and retain people with the aptitude and skills to satisfy current and future organizational needs. Talent Management is often mentioned as Human Capital Management, is that the method of recruiting, managing, assessing, developing and maintaining an organization's most significant resource people. Right talent is that the best asset for any enterprise. Therefore, the foremost important role of HR is to make sure employees with the right skills stick long enough with the company. Talent management brings together sort of important human resources and management initiatives. Quite often, organizations adopting a Talent Management approach specialise in co-coordinating and integrating.

The role of IT Industries towards economic process has been tremendous within the previous couple of years. This is due to the western companies' dependency on outsourcing the work to India. The IT Industry being a hub of Innovators provides world class technology across the world. One of the foremost important factors that enter IT business is human capital, and thus, sustainability of revenue growth within the IT Services industry is directly hooked in to the organization's ability to draw in the proper talent and thereafter, up-skilling, motivating and retaining them within the organization.

#### **OBJECTIVE OF THE STUDY:**

1. To understand the essence & significance of Talent Management for organization.
2. To Study the Talent Management practices at selected IT companies.
3. To present a set of leading Talent Management practices based on the learning gathered from the overall study.

#### **LITERATURE REVIEW:**

(Chugh & Bhatnagar, 2006) This study is based on the survey. Through this study, the author has attempted to explore the strategic Human Resource Management as a context for talent management practices in organizations. Following a multiple case embedded research design, the author has investigated that how the talent management system has been successfully implemented at five high performing well-known organizations in the Delhi region. The study paper also contains literature review, which highlights some testable propositions which are literal replication from the case studies support. Mapping of the Talent management system is attempted by the author in different organisations. The author has discussed the core issues emerging in the case study and the linkage with high-performance work practices in this study paper. Implications that are drawn on the logical part of talent management in HR practice are further addressed by the author.

(Ready & Conger, 2007) 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 are intimidating and difficult to handle for managers and human resources in day to day practices. However, by 'talent' author refers 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 for the development of the employees; things can be complex and troublesome. For the successful talent management system in any organization, the author has suggested five points implementing the plan. These points are; i) To Discover what you are talking about. ii) To Describe what is transparent in the organisation iii) Companies should discuss career aspirations with employees. iv) To Determine and understand who belongs where and v) To Differentiate the development from actual position.

(Rothwell & Kazanas, 2003) They try to ignite the imagination, expands various possibilities, and also offers practical strategies that any organisation can use to develop, select, retain and utilise the talent for the success of an organisation which can help them to enter the flexible and unpredicted future. Part one provides information about strategic development of talent. It explains how to establish a vision for Talent Development for an organisation and formulate a purpose to articulate the rationale for organisation's talent development. Strategic development of talent is the process of changing an organisation, stakeholders and employees will possess the competencies that are needed for the competitive advantage for any organisation. Second part involves an integrated strategy for development of talent and knowing the present learning needs and future environmental conditions. It also advises to identify unique talents. If it is used for formulating organisational strategy for development of talent. Part three focuses on choosing and implementing organisational strategy for the development of talent. It means choosing more than one comprehensive plan to guide learning in an organisation. Part four explains various functional strategies for learning that can be used to implement strategy for talent development. Part five describes evaluation methods for talent development.

(Karthikeyan, 2007) The study explains that organisations need to have a proper vision and a well-defined strategy on hiring that will take place in future. They are of the view that if they have the right talent within the organisation to attract and retain the best available talent that can help in the success of the organisation. Opportunities have increased and also the prospective employers are not only sourcing the same talent pool but even the same person as

well. There is demand & supply gap puts pressure on companies to attract the best talents and ensure that the employees to join the company and to stay in the organisation rather than look for job opportunities elsewhere. Right grow talent employs the following model which includes: attract & assess, Develop, engage and align, transition. Author mentions three takeaways for any organisation to have effective talent management system in place. One, companies need to conduct research and develop body of knowledge to attract talent and make plans for the same at all levels. Second, because of the supply and demand dynamics, employees will face more issue on the work life balance issues, Longer hours can result into burnout and fatigue. Third, Companies will invest in developing capability of line managers to manage talents through investments in coaching and feedback. Last takeaway is that companies will invest in employer branding since they catch attention of the prospective talent.

According to Herman's research: In this book, the author talks about applied psychology that there are five reasons why employees quit; and all those factors depend on communicative factors except for the last one, which is 'compensation'. Most of the employees quit their jobs because there is lack of positive reinforcement as well as proper and inspiring feedback from their superiors, which results in a feeling of discouragement and unappreciated for their services. These theories are also backed by Frank and Taylor that they rank poor management as the number one reason behind the high employee turnover.

(Michaels, Handfeild, & Axelrod, 2001) They try to explain that not everyone can be a star performer in the organisation, but they can stand out by challenging themselves and to be more dedicated to their work and that is what the development programs are made for. By adapting those developmental programs, organisations can retain and attract talents for longer time and can have better performance for the long run. The authors say that the employers must develop talent through the efforts by leaders and managers in a company. These efforts must address people and their issues with as much effort and commitment as a company puts into its customer base. Their book shows that how organization should take a proactive approach to recruitment and make talent development as a part of the company's goals, as well as how to differentiate the best talent from low- to mid-level talented employees. Companies should embrace a talent mindset. Talent development is the first and foremost responsibility of every leader and manager. The war for talent cannot be delegated to HR - every leader in your company must get in the trenches and make a contribution. Company

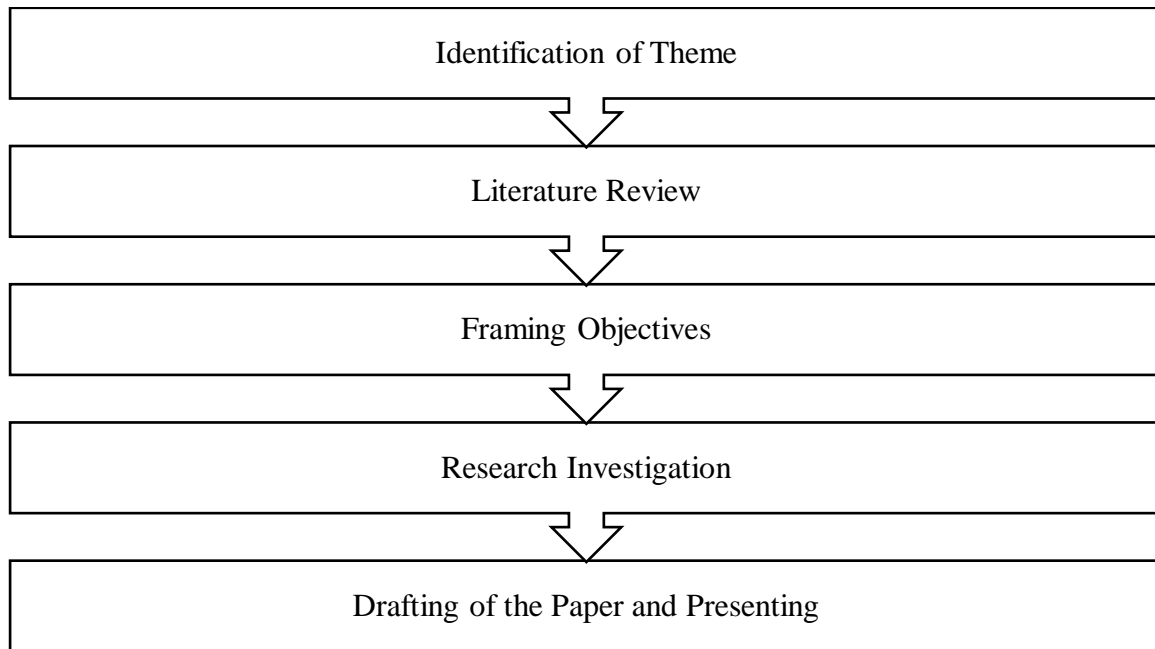
leadership must address people management with the same vigoro it brings to customer management and with the same commitment to value.

(Heinen & Neil, 2004)Talent Management is one of the effective ways that are used to achieve competitive advantage. They questioned that how long can any organisation sustain its competitive advantage and keep their talent base isolated from the competitors. Financial capital does not serve as a barrier that separates competitors. Sustained competitive advantage results from talent management practices. The most powerful talent management practices respond to organisation's unique human capital context. These can operate as a cohesive system and create financial return that competitors find difficult to imitate. Business implementing an effective talent management approach is benefited by attracting finest talent, making them feel attached to the organization and encourage them to be loyal. Therefore, organizations today are focusing individual and organizational capabilities to build up high potential pool of talent and leading them to contribute to the long run success of the organization. Talent management strategy is a framework where key positions of an organization are identified that helps to achieve long run competitive advantage, nursing a body of significantly potential candidates to carry on these responsibilities and designing a unique human resource structure contributing to fill these vacancies with potential talent as well as assuring their persistent dedication for the organization. As a key strategy of talent management, it has been noticed that technological innovation can make a radical change in the organization as employee also developed the capacity within them to custom the innovation. Rather than looking for talent for the vacant positions, the finest talent are now selected for the organisation and then placed them to suitable jobs.

#### **RESEARCH METHODOLOGY:**

The present study is descriptive and exploratory in nature as it attempts to understand talent management program of various IT companies. As per the standard practices used in this type of studies a scoping review of literature has been prepared from secondary data is collected from various books available in the library and primary data through interview method. Various journal and periodical associated with the talent management also are referred for the data collection and validation purpose. Additional sources being the magazines published electronic resources and general website for the suitable secondary data collection. All the electronic sources of data collection are chosen supported their reliability check and analysis from various references. In addition to all the secondary sources mentioned above, some of specimens of company and company website are also referred in this study.

**RESEARCH PROCESS:**



**Exhibit- 1 Talent Management in Tata Consultancy Services Limited (TCS)**

Tata Consultancy Services Limited (TCS) is an Indian multinational information technology (IT) services and consulting company headquartered in Mumbai, Maharashtra, India. It is a subsidiary of the Tata Group and operates in 149 locations across 46 countries. TCS is the second largest Indian company by market capitalisation.

The human resources strategy of Tata Consultancy Services (TCS), the largest provider of information technology (IT) and business process outsourcing (BPO) services in India has enabled the Company to attract, integrate, develop and retain the simplest talent required for driving business growth. The sustained strategic focus to reinforce employee capability, improve efficiency and groom future leaders has helped TCS to take care of its benchmark status within the IT industry. The Company has created a performance driven environment where innovation is inspired, performance is recognized and employees are motivated to understand their potential. Its relentless pursuit to attach with employees on a daily basis, communicate in an open and transparent manner, provide opportunities to find out and grow within the organization have yielded desired results as is clear from the high retention rates and therefore the motivation and engagement levels of its employees. As TCS continued to expand globally, it faced the challenge of grooming and retaining a diversified talent pool. Also, with rising manpower requirement, TCS increasingly hired non-technical science graduates, which posed a challenge to groom and convey them on a standard platform. A small experiment called “Ignite” was started in December 2006 to strengthen the company’s

talent base. It was launched to rent, train and deploy two batches of trainees from non-technical science background. Initially, TCS recruited engineers to satisfy its needs at the business front. But, afterward to expand and increase its scalability, the corporate felt the necessity to possess a more diverse team in terms of intellectual, social and culture context. In February 2009, TCS changed its hiring strategy and began that specialize in just-in-time hiring or real-time talent management. To build a top-quality talent pool, TCS started a programme called Academic Interface Programme (AIP). Various sorts of training programmes were conducted at TCS - Learning and Development, Initial Learning Programme, Continuous Learning Programme, Leadership Development Programme, Foreign Language Initiative and Workplace Learning. Compensation management system at TCS is predicated on the value added (EVA) model. The company conducts appraisal of its regular employees twice during a year, and also at the top of the project just in case of employees hired specifically for various projects. In order to spot its outstanding talent, TCS has been recognizing the contribution of its people in some ways. TCS features a Manpower Allocation Task Committee (MATC) which determined the career path for workers in order to support its key objectives TCS has aligned talent management with business strategy, which has helped to nurture talent and retain it. It is evident from the fact that the company's attrition rate has come down to 10.60 % in fiscal 2013, as compared to 12.20 % in fiscal 2012 and is the lowest in the Indian software and IT industry.

#### **ESSENCE OF TALENT MANAGEMENT:**

Successful talent management is not only recruiting, retaining and developing a high-performing workforce but also aligning their talent management practices with their culture, values and strategic goals and integration of those programmers across the organizations.

- ✓ **Recruitment** - ensuring the proper people are interested in the organization.
- ✓ **Retention** - developing and implementing practices that reward and support employees.
- ✓ **Employee development** - ensuring continuous informal and formal learning and development.
- ✓ **Leadership** - special development programs for existing and future leaders.
- ✓ **Performance management** - specific processes that nurture and support performance, including feedback/measurement.
- ✓ **Workforce planning** - planning for business and general changes, including the older workforce and current/future skills shortages.

- ✓ **Culture** - development of a positive, progressive and high-performance way of operating.

### **Exhibit-2 Talent Management in Infosys**

Infosys Limited, is an Indian multinational corporation that provides business consulting, information technology and outsourcing services. The company is headquartered in Bangalore, Karnataka, India. Infosys is the second-largest Indian IT company after Tata Consultancy Services by 2017 revenue figures.

The head of HR at Bangalore Infosys has one among the toughest challenges among all honchos at Bangalore based IT leader, findings/attracting the talent needed to support the company's ambitious growth plans. Infosys give attribute-based advertising and has taken initiatives to catch the available talent pool by working with education regulators and academia in India and abroad. Infosys parented 250 colleges in India and 4 university in China and helped 188 faculty members with specialized courseware. The dynamic nature of the software and IT industry requires its workforce to upgrade frequently in technology and skills. Infosys were that specialize in continuous training and development of their employees, which helped within the reduction of attribution rate. At Infosys, every new recruit underwent approximately three months of coaching before they were made billable to clients. The American Society for training and Development (ASTD) rated Infosys because the world's best in employee training and development. The award was conferred for its 'Global Business Foundation School'. the worldwide Business Foundation School comprised of generic conceptual courses, platform specific courses, mini projects for application and an end term project tailored from real world, additionally to technical courses, fresh entrants were also exposed to courses on communication skills, interpersonal skills, customer interaction etiquettes, management development, and quality systems. In 2005 Infosys established 'Global Education Centre' within the name of 'Infosys U', one among the most important corporate training centres within the world. 'Infosys U' ran a 14.5-week residential program, which might impart generic and work specific training in technology areas, alongside soft skills and leadership programs to freshers. Company image of Infosys is extremely high within the current market, it stood 3rd among top 10 IT companies. Learning opportunities also are be the rationale for the retention of employee, as Infosys features a good training infrastructure. Working environment provided by the Infosys is additionally pleasant, which motivate employee to retain in company. Infosys justifying the all aspects of



Talent Management, which in result, provide distinguish market reputation compare to other competitors. So, Infosys deserve 3rd rank among the highest IT companies.

### **Exhibit-3 Talent Management through work redesign at Google**

Google, LLC is an American multinational technology company that specializes in Internet-related services and products, which include online advertising technologies, a search engine, cloud computing, software, and hardware. It is considered as one of the big technology company in the U.S. information technology industry.

The company has adopted a thoughtful approach that it uses to offer benefits, rewards and compensation to its employees for purpose of retaining excellent talent within its precincts. Not only has the company employed top-notch employees, it has also engaged in recruitment wars with its competitors for talented employees. To retain talented employees, the corporate offers 15% in compensation above competitors' rate because it hires new employees. The freedom to self-direct and make decisions is in itself a drive for several talented employees towards Google. It maximizes creativity and hones talent. The 20% of own project time is another novel concept motivates employees to be innovative. This implies an unending flow of information, ideas, and talents within the multidisciplinary teams. This instils in employees a sense of freedom, esteem and an entrepreneurial culture that is hugely beneficial to the company. The freedom the company offers to its employees to explore and hone their talent. This is a big incentive for many old and new workers who feel recognizing and appreciated the strategy also keep them on purpose and excited about their progress and successes, thus essentially retaining them within the walls of Google. By doing this, Google has not only been successful in attracting top talent, the company has also combined this with heavy compensation to retain top employees. This treatment also makes the employees feed prestigious, not only in their novel finding the company adopt, but also in their association with the most admired IT company globally. The work is challenging and interesting and develops the workers both intellectually and in their career. The work is additionally made meaningful by being innovative and pleasurable. Google's flexible work schedules are also perhaps the most replicated in other companies. The company has a tradition of giving its employees several opportunities to establish and stick to their own schedules. This keeps employees happy, motivated and free, the work-life balance arising from Google's flexitime policies are emotionally refreshing and socially enriching for the company's workers to explore their talents. The approach is at its best in telecommunicating. Telecommuting offers employees ample time for individual engagement alongside formal work. For these

employees are very ready to forego their compensation, which is a cost reduction strategy for Google but also a way of honing talents on the go. Moreover, telecommunicating raises individual employee productivity and satisfaction on their jobs.

### **SIGNIFICATION OF TALENT MANAGEMENT:**

#### **Adds value:**

An adequate talent management process tests the workers potential and adds more value to his skill set. This reduces the probabilities of errors and creates a learning opportunity. The employee himself gets the chance to check his abilities and strives to perform better by creating newer values.

#### **Employee Engagement:**

Poor employee engagement is directly linked to problems with staff retention levels. This can cost the business considerably. In this economic environment, training and development opportunities are often of serious importance to the work seekers and to this employee. Therefore, providing the workers with the platform to precise and connect can increase employee engagement levels to a substantial level.

#### **Increase Productivity:**

A requisite pool of talented employees can simplify the process of achieving a goal by increasing productivity in a given span of time. This further helps in saving time to specialise in other business development techniques.

#### **Client/Customer Satisfaction:**

Through talent management process every task is divided among the workers supporting to their abilities and skills, which helps in meeting their needs rapidly.

#### **A Long-Term Investment:**

Investing in talent management has long term benefits. It leads to significant growth in revenue generation, the emergence of innovative ideas and increased efficiency in employee's performance. This helps in to take care of and retain the company's position and reputation within the ever-expanding market.

### **Exhibit-4 Talent Management in Wipro**

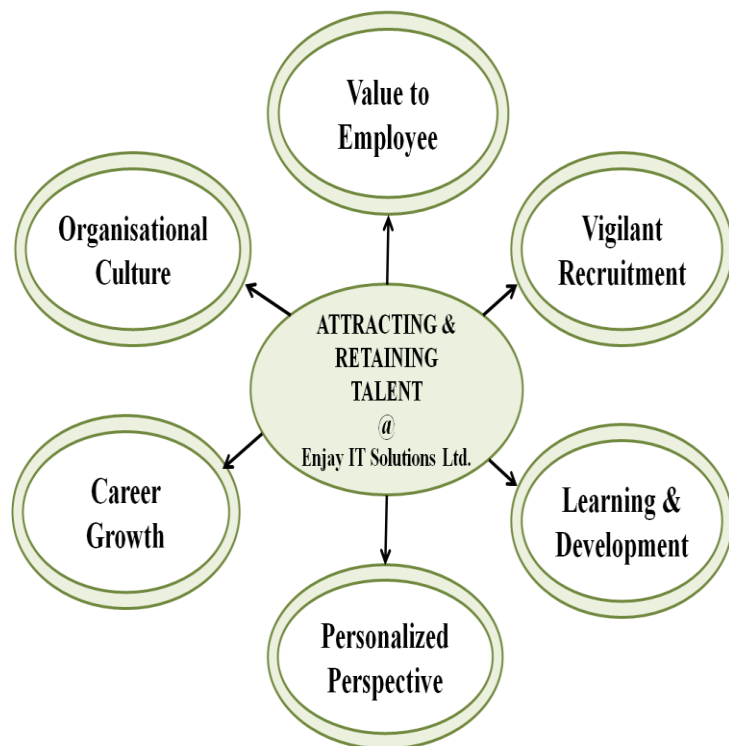
In 1977, Wipro entered the information technology sector. Wipro Technologies Limited is a giant information technology company, which has it's headquarterd in Bangalore, India. It is a global service provider delivering technology-driven business solutions that meet the strategic objectives of their clients. Wipro's talent management and engagement features a two-way approach. It contains the challenges by following best practices in two areas:

1) Compensation 2) Non-compensation. Challenges arising thanks to compensation reasons are contained at Wipro by continuously benchmarking employee’s salaries with their competitors and providing merit-based raise. In addition, for middle and senior management they have equity-based compensation through Restricted Stock Units (RSUs). They also have various employee benefits programmes. Wipro typically offers flexible Employee Performance Management (EPM) solutions delivered in either a Business Process Outsourcing (BPO) or Software as Service (SaaS) model that creates assessment and development easy, more accurate. EPM process includes goal management, performance appraisals, multi-rate, 360 feedback, workforce & succession planning, development planning and training, etc. The “Training & Learning” arm of Wipro Technologies caters to learning needs of over 63,000 employees. Attrition rate as of 2008 at Wipro is 17%.

**Exhibit-5 Enjoy IT Solutions Ltd., Bhilad, Gujarat**

Enjoy is a Technology company helping small businesses grow big and the big businesses grow bigger. Enjoy is known for its E-Innovative solutions offerings for India SME market. Enjoy is the one of the pioneers of ThinClient Solutions in India. Enjoy has developed various solutions in Storage & network monitoring apart from that they are coming up with few very useful Cloud based software. Head quartered at South Gujarat region; it is having its branches in bigger cities like Mumbai & Ahmedabad.

Job satisfaction of existing employee, value to employee and personalized perspective towards employee attracts Talent towards this organization. They try to attract talent through recruitment, training and employee career growth practices in the



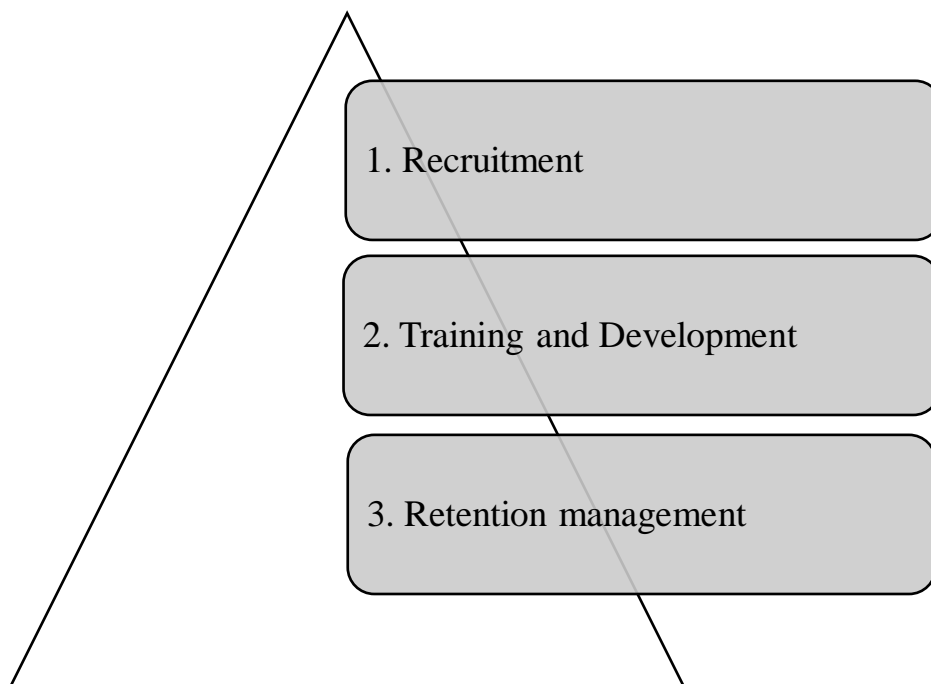
organization. Enjoy IT solutions prefer to hire freshers, follow fix time working hour that is 9 am to 6 pm which helps the employee to maintain the work life balance. They concentrate on policies, process, culture and opportunities that can be implemented to Attract Talent &

Retain Talent and further more enhance the Talent of Employees. Enjay justify all the aspects of Talent Management that can be followed in any small organization to retain talented employees.

Source: Telephonic Interview with Mr. Limesh Parekh, CEO, Enjay IT Solutions Ltd., Bhilad, Gujarat

### **LEADING TALENT MANAGEMENT PRACTICES:**

The talent management practices that were common in this IT companies were recruitment and selection, succession planning, Training and development performance management, compensation, employee retention.



Apart from the above-mentioned practices few more practices that are practiced in many industries include alignment with business goals, embeddedness in culture, flexi timing, freedom to self-direct and make decisions, employee benefits, rewards and compensation and learning programmes, career growth. In broader way Talent Management is more than a process for giving feedback and providing coaching/ training. When appropriate practices are used, it becomes a strong tool for helping employees develop further and achieve their full potential.

Name of company	Best Practices
TCS	Followed just in time hiring policy and training programmes including- Learning and Development, Initial Learning Programme, Continuous Learning Programme, Leadership Development Programme, Foreign Language Initiative and Workplace Learning.
Infosys	Training infrastructure and learning program including courses on communication skills, interpersonal skills, customer interaction etiquettes, management development, and quality systems. Working environment provided by the Infosys is additionally pleasant, which motivate employee to retain in company
Google	The sense of freedom, esteem and an entrepreneurial culture that is hugely beneficial to the company. Moreover, flexitime policies are emotionally refreshing and socially enriching for the company's workers to explore their talents and hone the talent.
Wipro	Follow compensation and non-compensation approach, provide merit-based raise. In addition, for middle and senior management they have equity-based compensation through Restricted Stock Units (RSUs).
Enjoy IT Solutions	They prefer to hire freshers, follow fix time working hour that is 9 am to 6 pm which helps the employee to maintain the work life balance

## CONCLUSION:

Talent management is identified together of the foremost HR challenge to critically meet the business demands beyond tomorrow. It is indispensable for survival and sustainable development of any organization. Neglect of talent management is suicidal for the organization particularly in the current business scenario of high competition. In present study the researcher has observed that both small and big organisation follows the same process for talent management like recruitment, training & development, retention management but their practices and method are different. The practices are depended on demographics especially on the size of the organization. In present talent-hungry marketplace, one of the greatest challenges that organizations are facing is to successfully attract, assess, train and retain talented employees. Human resource is the only one resource which makes any organization different from others. It creates competitive advantage and also helps to build sustainable growth. Attracting a right talent and also retaining them in a corporate is a greatest challenge for today's HR managers. Therefore, talent management is a great and complex task for managers. Employer branding and employee engagement can be used as a strategic tool to retain and manage talents. In the "War of Talents", Talent has won. Therefore, Talent Management should be considered as a Strategic weapon in the battle of Talents.

### **Limitations of the study:**

The literature collected is from particular industry that is of IT sector companies. The Talent Management process and implementation may vary from industry to industry. This paper highlights Talent Management process from selected IT companies in the literature, hence it gives historical perspective.

### **Acknowledgement:**

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