

# **Impact of Talent Management on Organization Performance and Practice: A Study of Talent Management in IT sector in context of NCR region**

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## **Abstract**

Talent management is a business strategy that organizations accept will empower them to hold their top talented employees and work on to improve the organization performance. It is the course of employing the right ability, setting them up to take up top situations in future, evaluating and dealing with their presentation and furthermore forestalling them to leave the association. The performance of every organization depends on the performance of their employees. If the employees have unique competencies which the competitors cannot replicate, the organization automatically gains a competitive edge over its competitors. So, for managing this unique human capital, the organizations are focusing on creating effective systems and processes for talent management. The organizations are also striving hard to retain their top/key talent because if they leave, the complete repository of knowledge is also gone out of the hands of the organization. The purpose of the study was to find out the impact of talent management on

organizational performance for selected IT organizations in the NCR area. The findings show that there is partial impact of talent management on the performance. If this talent is appropriately managed and deployed at the right places, then, the organizations can make their captive use in order to increase their growth and profitability.

**Keywords:** Talent management, Competencies, Organizational performance

### **Introduction:**

Human Resource is the sum total of inherent abilities, acquired knowledge and skills represented by the talents and aptitudes of the employees of an organization. Human resources should be utilized to the maximum possible extent to achieve individual and organizational goals. An organization's performance and resulting productivity are directly proportional to the quantity and quality of its human resources. That is the reason that the concept of talent management has received a significant degree of professional and academic interest. Talent Management can be defined as the process of recruiting, training, developing, managing, assessing, and maintaining an organization's most valuable resource i.e., people. In this competing marketplace, talent management is one of the most important drivers for organizational success and growth. The organizations must be able to foresee and grab the new opportunities before its competitors. So, in the current scenario, Talent management has become the new challenge for new generation. It has become extremely important in this competitive market that the organizations should align their talent management initiatives with their business goals. They should also encourage such culture where talented employees are given abundant career development opportunities so that they can perform to the maximum level. It is the top/key talent only which contributes to the productivity of the organization as they help to generate revenues by creating value for their clients.

Thus, as any organizations performance and achievement is subject to how the association oversees and holds its talent pool, appropriate measures ought to be taken to carry out the best talent management practices in the industry which will assist the association with acquiring an upper hand over the contenders and

furthermore will help the organization to constantly remain ahead in the market. The cycle of talent management covers every one of the significant perspectives of an employee's "life cycle" which are recruitment and selection upgrading their insight by giving the appropriate training, development, performance management and succession planning for future. The top management and the HR managers have always been focused on basic Talent Management but to reach the desired levels of success, they require committed, engaged and high-performing employees' quite clear that people are an organization's most important assets and as a result, the corporate is adopting different ways to build decision making platforms which are data-driven.

A strategic talent management plan helps the organization in the way as:

- To become proactive rather than reactive and ready to adopt the changes instantly.
- To identify essential skill set and competencies required among the employees to minimize the training cost taking into consideration the major key and development areas
- To improve the recruitment process using best job description methods for high caliber candidates upon the capabilities of high performing employees those are highly valued for the company or industry.
- To help the organization for improving performance, productivity and revenue and profitability.

### **Organizational Performance:**

The organizational performance is viewed to be high when its parts capability together to accomplish gigantic outcomes and these results are estimated as far as the worth that it makes and conveys to its clients or customers. Every association needs capable employees to increase the productivity and maximize the overall organizational performance. It is feasible for

organization to acquire a reasonable upper hand over its rivals just when its HR are inventive and creative. At the point when the whole worldwide market is surveyed, it is seen that organizations accomplish the top situation in their market and produce wonderful business results assuming they give need to foster themselves, their people and convey separated items and administrations to their clients. Thus, to do as such, organization should distinguish the talent, survey their true capacities, and foster their talent and capacities appropriately. There are a few variables which are distinguished by the specialists which contribute towards the performance of the organizations.

#### **Continues Learning:**

The organizations need to develop certain systems which help its employees to learn, learn and learn. Such a culture greatly helps the organizations to become high performers in the industry.

#### **To Focus on Customer feedback:**

The organization need to focus on the value which they make for its clients. If the clients are satisfied, consequently the incomes and performance of organization go up.

#### **Aligning System and Structures:**

It is necessary for an organization to align their system, structure and all the processes perform better with their objective and make strategies which can go along with its mission and vision.

#### **Employees Involvement:**

The organization should create an environment of high involvement of its employees. It can be done by giving them opportunity to participate in decision, respect their creativity and unique ideas and also encourage them to perform better.

#### **Review of Literature:**

Sahoo and Prasad (2010) stated that acquiring and retaining good talent has become one of the most critical issues for the human resource department these days. It puts a lot of pressure on the businesses as their success is dependent on their human capital. There are two most

important factors for doing business for every company and that are time and cost.

Sheokand and Verma (2015) found that the talent management concept is emerging slowly in today's business scenario. The human resources also called as the human capital of the organizations serve as the most important component of achieving competitive edge and now, the organizations that function at a global level have started to realize their value and importance. The research gave a detailed review based on other studies that were conducted in the past and they found out that in the 21st century, the concept of talent management is debatable, but it definitely leads to a high performing organization.

Pestonjee et.al (2017) Talent management practices are also improving performance and competitiveness of organizations and helping for retaining of talented employees with organizations.

Rana (2017) The efficient management of talented pool of employees needs the organization to adopt effective strategies and approaches varying from recognizing changes in work culture to succession plan for employees.

Manesh (2015) showed selection, training, competency development, work culture, job scheduling, and planning, rewards, training, recognition and performance evaluation were important talent management practices in industrial organizations, and they had positive impact on performance of employees.

Sangeetha and Raja Karthikeyan (2016) indicated that clear job description, selection, training and development, attractive packages, autonomy, mentoring, performance assessment and feedback were talent management practices adopted by IT companies.

Hughes and Rog (2018) cited that talent management is a form of a business strategy that helps in making employee recruitment, engagement and retention of the talented employees successful within different organizations. The research identified various factors that are required for the effective implementation of the talent management strategies. They concluded that with the help of talent management, the operational and also the financial performance of the company improves to a great extent.

Ferndale, Scullion and Sparrow (2010) studied the role of corporate human resource function in managing the talent of the organization on a global level. They also highlighted that managing the global talent has become a new area of concern for the organizations in the current scenario.

Pasha and Ahmed (2017) found that work planning and scheduling, training, rewards and recognition, learning and development, improving competency and providing good culture were talent management practices in IT sector and they were influencing productivity of employees and performance of IT companies.

Sireesha and Ganapavarapu (2014) indicated that talent management is all about getting the right person for the right job at the right place and also at the right time. For this, the organizations need to understand how its employees will behave in future and getting them to behave different from the past to get better results. The ultimate goal of talent management practices or programs implemented by the company must be to get the right people for the right jobs in order to make the company successful, but this goal is not that easy to achieve as it sounds.

Singh, Sharma and Garg (2012) communicated that in the time of globalization and enormous merciless competition, talent management had turned into the need of great importance. The associations thus ought to grasp their center abilities if they have any desire to overwhelm their rivals. Along these lines, to succeed, organization ought to focus on recruiting the best ability that has the energy and obligation to attempt to accomplish its objectives and targets and decisively send them to benefit from them.

**Objectives of the Study:**

1. To judge the talent management practice in IT sector.
2. To analyze difference between talent management practices and socio-economic profile of employees in IT sector.
3. To evaluate relation among talent management practice and performance of employees in IT sector.

**Research Methodology:**

The present study is based on primary data. The study is conducted in NCR region and randomly chosen, and data is being collected from 250 employees by use of questionnaire. Mean and standard deviation are used to analyze talent management practices in IT sector. T- test an Anova test is used to find the different between talent management practice in IT sector and socio-economic profile of employees. Correlation analysis is applied to assess the relation among talent management practices and performance of the employees in IT sector.

**Result- Table1 Socio-economic profile of employees of IT sector**

<b>Socio-Economic Profile</b>	<b>Number (N=250)</b>	<b>Percentage</b>
<b>Gender</b>		
Male	133	53.2
Female	117	46.8
<b>Age</b>		
21-25 year	36	14.4
26-30 year	74	29.6
31-35 year	93	37.2
36-40 year	47	18.8
<b>Education</b>		
B.E.	108	43.2
B.Tech.	64	25.6
M.C.A	78	31.2
<b>Working Experience</b>		
Less than 4 years	45	18
5-8 years	97	38.8
9-12 years	67	26.8
More than 12 years	41	16.4
<b>Monthly Salary</b>		
Below Rs. 30,000	49	19.6
Rs. 30001- Rs. 40000	76	30.4
Rs. 40001- Rs.	86	34.4

50000			
Above Rs. 50000	39	15.6	

Table 1 shows the socio-economic profile of employees of IT sector. The result indicates that 53.20 per cent of them are male employees, and 46.80 are female employees. 37.20 percent employees are falling under the category of 31-35 years. 14.4 percent employees are falling under the category of 21-25 years which is least among all age group of employees in IT companies. Result shows that 43.2 percent employees are B.E. holders, 25.6 are B. Tech and 31.2 percent are M.C.A. Most of employees are having 5 to 8 years of experience i.e. 38.8 percent. Only 18 percent of employees are having less than 4 years of experience. In case of monthly salary maximum no of employees 40000 to 50000 with 34.4 percent

**Table-2 Talent Management Practice in IT sector**

My company is providing good working condition to employees	3.96	0.9
My company is giving adequate salary and perk to employees	3.39	1.05
My company is providing full autonomy to employees	3.85	0.89
My company has flexible working hours for its employees	3.35	0.98
My company is encouraging employees to participate in decision making	3.69	0.86
My company is arranging need-based training to employees	3.74	0.80
My company is giving reward and good recognition to its employees	3.66	1.01
My company is adopting fair and effective performance	3.94	0.88

appraisal methods for employees		
My company is providing feedback to employees for their performance	3.81	1.05

The employees of IT sector have a great opinion with regard to the company policy the company is providing good working condition, encouraging them to participate in decision making, providing full autonomy to employees, arranging need based training to employees, company is taking fair and effective methods for performance appraisal methods for the employees. Company is providing appropriate feedback to company is providing adequate salary and perks to employees and company is having flexible working hours.

Given table shows the analysis of the difference among talent management practice in IT sectors and socio- economic profile of employees.

**Table-3 Talent Management practice in IT sector and Gender**

Gender	N	Mean	S. D	t-value	Significance
Male	133	35.13	4.01	4.329**	0.00
Female	117	39.33	3.56		

Significance level 1%

In this table Mean value of talent management for male and female employees are 35.13 and 39.33 respectively that shows the female employees are having better talent management practices as compared to male employees. The t-Value is 4.329 explain that there is significant difference among talent management practice in IT sector and gender of employees.

**Table-4 Talent Management practice in IT Sector and age**

Age	N	Mea n	S.D.	F-value	Significan ce
21-25 year	36	37.86	3.94	5.424**	0.00
26-30 year	74	39.89	3.4		
31-35 year	93	36.87	3.3		

36-40 year	4 7	35.1 1	35.1 1		
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Significance level 1%

Mean value of talent management practices in IT sector is shifting from 39.89 for employees falling in age classification of 26-30 years to 35.11 for representatives falling in age classification of 36 - 40 years and it uncovers that talent management practices in IT area are better for employees falling in age classification of 26-30 years when contrasted with other age categories.

The F-value is 5.424 explicating that massive distinction is there among talent management practices in IT area and age of employees.

**Table-5 Talent Management practice in IT sector and education**

Educational	N	Mean	S.D.	F-value	Significance
B.E	108	38.77	3.46	5.240 **	0.00
B. Tech	64	36.83	3.84		
MCA	78	34.74	4.09		
36-40 year	47	35.11	35.11		

Significance level 1%

Mean value of talent management practice in IT sector is changing from 38.77 for employees holding B.E. to 34.74 for talent management practice in IT sector representatives holding M.C.A .and it uncovers that in IT area are better for employees holding B.E. when contrasted with different education.

The F-value is 5.240 explicating that tremendous difference is there among talent management practice in IT sector and education of employees.

**Table-6 Talent Management Practice in IT sector and Working Experience**

Working Experience	N	Mean	S.D.	F-value	Significance
Less than 4 years	45	37.31	3.98	5.594 **	0.00

5-8 years	9 7	39.5 3	3.8 9		
9-12 years	6 7	36.7 3	3.4 8		
More than 12 years	4 1	35.2 2	3.7 6		

Significance level 1%

Mean value of talent management practices in IT sector is shifting from 39.53 for employees having working experience of 5 - 8 years to 35.22 for employees having working experience of more than 12 years and it uncovers that talent management practices in IT sector are better for employee shaving working experience of 5 - 8 years as thought about to other work experience.

The F-value is 5.594 explicating that huge distinction is there among talent management practices in IT area and working experience of workers.

**Table-7 Talent Management Practice in IT sector and Monthly Salary**

Monthly Salary	N	Mean	S.D.	F-value	Significance
Below Rs. 30,000	49	39.67	3.7	5.675**	0.00
Rs. 30,000 - Rs. 40,000	76	37.84	3.63		
Rs. 40,001 - Rs. 50,000	86	36.54	4.03		
Above Rs. 50,000	39	35.24	3.51		

Significance level 1%

Mean value of talent management practices in IT sector is changing from 39.67 for employees getting month to month compensation of below Rs.30,000 to 35.24 for workers getting month to month salary of above Rs.50,000 and it uncovers that talent management practices in IT sector are better for working getting month to month

salary of below Rs.30,000 when contrasted with other month to month salaries.

The F-value is 5.675 explicating that tremendous distinction is there among talent management practices in IT sector and month to month compensation of employees.

Relation among Talent Management Practice and Performance of Employees in IT sector.

**Table-7 Talent Management Practice and Performance of employees in IT sectors**

Particulars	Correlation Co-efficient
Talent Management Practices and Performance of employees in IT sectors	0.56**

Significance level 1%

The correlation coefficient among talent management practices and performance of representatives in IT area is 0.56 and it suggests that they are positively and respectably related with one another.

**Conclusion:**

The above analysis uncovers that giving great working condition to employees, encouraging employees to participate in discussions, , giving full autonomy to employees, organizing need based training to employees, giving the rewards and great acknowledgment for employees, embracing fair and successful performance evaluation strategy for employees and giving feedback to workers on their performance are principal of talent management practices embraced by IT sectors. Huge distinction is there among talent management practices in IT sectors and socio-economic profile of employees.is emphatically, modestly and fundamentally related with talent management practice in IT sector, In this way, IT organizations ought to give sufficient compensation and advantages to representatives and they should have adaptable working hours for employees.

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