The Extent of Talent Management Practices in IT Companies in Info Park, Kochi

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Abstract

Practicing a well-developed talent management procedure, by skilled managers seems to satisfy the employee’s expectations from their organisation. This paper presents the result of a study about the Talent Management practices in IT companies in Cochin Info Park. The target population for this study are the employees of IT Companies in Info Park. A multi-stage convenience sampling adopted to obtain the sample. The study finds that the IT companies in Info Park follows the Talent Management Practices are good. The overall, results shows that there is reasonable psychometric support for the Talent Management Practices.

Key words: Talent Management, IT Companies, Talent Management Practices.

1. Introduction

Every organisation seeks to employ highly qualified personnel to ensure optimum output. For this, the organisation takes great effort to attract and retain talented human resources. Talent Management is an improved process of Human Resource Management for the attraction, development and retention of talented people with requisite skills. The topic of Talent Management introduced, in the United States in late 1990s by the largest and most dominant management-consulting firm McKinsey & Company, which coined the term “The War of Talent.” The key focus of that organisation was in the attraction and retention of talented personnel. A good talent management program provides the solution for all the issues related to employee acquisition, development, and retention in the organisation. Organization’s focus on talent management causes them to successfully attract, retain and develop their essential talents. (Malikeh, Mahmood, 2011). The aim of talent management is to ensure “an adequate flow of employees into jobs throughout the organization” (Lewis & Heckman, 2006, p.140).

2. Talent Management

Talent management is an ongoing process to deliver best human capital for organizations (Snell, 2007). Morton, Ashton, & Bellis (2005) envisage that talent management will be the next core competency in the human resources domain. Pamela, Philippe, Bruno (2011), in their paper found that talent management, focusing on retaining and developing talents has a statistically significant positive impact on human resource outcomes such as job satisfaction, motivation, commitment and trust in leaders.

Talent management as “a process through which employers anticipate and meet their needs for human capital” (Cappelli, 2008, p.1). CIPD defines talent management as the organized attraction, deployment, development and retention of high potential employees who are considered as a certain value for the organization (CIPD, 2009, p. 2). Talent management is 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 future or because they are fulfilling business/operation-critical roles. (McCartney, 2006; Cappell, 2008).

The increasing propensity of talented employees to move about from one organization to other is a major obstacle. To deal with these challenges, organization should make a strategy in order to optimize its process about attraction, retention and development of high talented people. (Lehmann, 2009). Talent management is an integrated strategy or system designed to improve the process for recruiting, developing and retaining people with the required skills to meet the current and future organizational needs. (Snell, 2007).
3. IT Industry in Kerala

Information Technology is the world’s fastest growing economic activity. The IT industry has been found to be ideal for Kerala in terms of its potential to generate economic opportunities and employment with minimal pressure on land, environment and other resources. IT sector in Kerala can draw from a great talent pool. Kerala is a place where the Information Technology sector is in a phase of exponential expansion. The IT Industry in Kerala is estimated to employ a workforce of over 60,000, which includes both highly skilled professionals as well as non-technical personnel.

4. Objectives of the Study

The study has been undertaken with the following objectives:

- To study the extent of talent management practices followed by IT companies in Info Park, Kochi.
- To evaluate whether the Labour attrition rate mediate the relationship between the talent management practices and the Organisational Performance.

Scope of the Study

The study strives to analyze the talent management practices in the IT companies in Info Park, Kochi.

The need for this study arises from the importance of talent management practices for employees in the companies. Hence the practices of various companies relating the talent management need to be examined.

5. Research Methodology

The target population for this study were the employees of IT companies in Info Park. A structured questionnaire used for collecting primary data. The secondary data related to the study has been collected from different sources including text books, articles, newspapers, periodicals and various other related sources. Likert scaling technique used to develop the questionnaire in the study. A multistage convenience sampling is adopted to obtain the sample. In the first stage selected the companies and in the second stage the respondents.

The survey instrument was developed after an extensive review of literature and scales used indifferent educational backgrounds guided by the theoretical base of the study. The following table gives the reliability of the measures considered.

Table 1: -Reliability variables considered

<table>
<thead>
<tr>
<th>Variable</th>
<th>Cronbach’s Alpha</th>
<th>N of Items</th>
</tr>
</thead>
<tbody>
<tr>
<td>Organizational performance</td>
<td>0.819</td>
<td>10</td>
</tr>
<tr>
<td>Labour attrition</td>
<td>0.845</td>
<td>5</td>
</tr>
<tr>
<td>Talent management practices</td>
<td>0.976</td>
<td>35</td>
</tr>
</tbody>
</table>

Data Analysis

The data were analysed via SPSS 20.0 for Windows. Descriptive statistics were used to describe and summarize the properties of the mass of data collected from the respondents. A level of 0.05 was established a priori for determining statistical significance.

6. Results

The first objective of the study is to study the extent of talent management practices followed by the IT companies in Info Park, Kochi. In order to assess the talent management practices followed by the IT companies in Info Park, 35 questions in 5 point likert scale were used and each of these likert scale questions were scored with score 1 for strongly disagree, 2 for disagree, 3 Neutral, 4 for agree and 5 Strongly agree. The score of the persons is calculated as the sum of the scores of each of these 35 questions. Based on this score the mean score of the 40 respondents for the talent management practices, its Coefficient of variation \( CV = \frac{\text{Standard deviation} \times 100}{\text{mean}} \), and the mean percentage score \( MPS = \frac{\text{mean} \times 100}{\text{max} \times \text{possible score}} \) were calculated.

To study the level of effectiveness, we divide the score of the variables into four groups as low or poor if the mean % score is less than 35%, average if the mean % score is between 35 to 50 per cent, medium or good if the mean % score lies in the interval 50 to 75% and high or excellent if the mean % score is above 75%.. A one sample Z test is carried out the significance of the effectiveness. The following table gives the Mean, SD, Mean % Score, CV and Z value of the variables considered.
Table 2: Mean, SD, Mean % Score and Z value for talent management practices

<table>
<thead>
<tr>
<th>Talent management</th>
<th>Mean</th>
<th>Standard Deviation</th>
<th>Maximum Score</th>
<th>Mean% score</th>
<th>CV</th>
<th>Z value</th>
<th>p value</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>313.30</td>
<td>58.78</td>
<td>435</td>
<td>72.02</td>
<td>18.76</td>
<td>-1.393</td>
<td>0.171</td>
</tr>
</tbody>
</table>

From the table the mean percentage score of talent management is 72.02% which indicate that a good level of talent management practices are followed by the IT companies in Info Park, Kochi. To test whether the sample information that we observed here in the population or to verify that the extent of talent management practices followed by the IT companies in Info Park, Kochi is good or it is excellent, we formulate the hypothesis that the mean percentage score is 75% (good) of the maximum possible score against it is greater than 75% (excellent). That is we formulate the hypothesis

H₀: the mean score of talent management practices followed by the IT companies in Info Park, Kochi is 326.35 (75 per cent of the maximum possible score of 435) Against H₁: the mean score of talent management practices followed by the IT companies in Info Park, Kochi is greater than 326.35

To test the above hypothesis we use one sample Z test and the calculated value of Z is -1.393, which is less than the tabled value of 1.675 which indicates that the test is not significant. Therefore, we conclude that the level of the talent management practices followed by the IT companies in Info Park, Kochi is good.

The second objective of the paper is to evaluate whether the Labour attrition rate mediate the relationship between the talent management practices and the organisational performance. N hierarchical regression with Sobel test is conducted to test the mediation effect of Labour attrition and the result is presented in table 3. The result of the Sobel test indicates that Labour attrition rate does not mediate the relationship between the talent management practices and the organisational performance.

Table 3: Regression coefficient and Sobel statistics

<table>
<thead>
<tr>
<th>Regression coefficient</th>
<th>Value</th>
<th>Se</th>
<th>t</th>
<th>p</th>
</tr>
</thead>
<tbody>
<tr>
<td>b(YX)</td>
<td>0.1085</td>
<td>0.0117</td>
<td>9.2657</td>
<td>&lt;0.001</td>
</tr>
<tr>
<td>b(MX)</td>
<td>-0.0237</td>
<td>0.0134</td>
<td>-1.7655</td>
<td>0.0855</td>
</tr>
<tr>
<td>b(YM,X)</td>
<td>-0.0302</td>
<td>0.1434</td>
<td>-0.2105</td>
<td>0.8345</td>
</tr>
<tr>
<td>b(YX,M)</td>
<td>0.1078</td>
<td>0.0123</td>
<td>8.7369</td>
<td>&lt;0.001</td>
</tr>
<tr>
<td>Indirect effect</td>
<td>0.0007</td>
<td>0.0039</td>
<td>0.1822</td>
<td>0.8555</td>
</tr>
<tr>
<td>Sobel test</td>
<td>0.135</td>
<td>0.446</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
7. Conclusion
Well structured and efficient Talent management system can improve employee-employer relationship and thus improves organizational effectiveness. This study found out that, there is good Talent Management Practices followed by IT companies in Info Park. Labour attrition rate of the IT companies does not mediate the relationship between their talent management practices and their organisational performance.

References


[9] www.keralait.org