



Research Article

A STUDY OF BUILDING KNOWLEDGE MANAGERS FOR COMPETITIVE ADVANTAGE THROUGH TALENT MANAGEMENT IN IT SECTOR IN KARNATAKA

Ashwini Yarnal and Muragesh Y Pattanshetti

BLDEA's, A S Patil, College of Commerce, MBA Dept Vijayapur

ARTICLE INFO

Article History:

Received 6th August, 2018

Received in revised form 15th

September, 2018

Accepted 12th October, 2018

Published online 28th November, 2018

Key words:

Talent Identifications, Talent Acquisition, Talent Development, Talent Mobilization, Talent Retention and Maintenance

ABSTRACT

In today's challenging business environment of going global, competition is becoming intense, organizations have mounting pressure to perform better than before. Over the years, creation and preservation of knowledge has become a key tool in accelerating competitiveness and enhancing organizational capabilities to respond to market changes (Bryan, 2004), matching employees' skills and personalities effectively deploying to optimize performance, is a critical and difficult task. To carry out this mission, organizations should develop and deploy talented people who can articulate the passion and vision of their organizations. Though operational excellence, technical competence, marketing savvy, energy and drive are always important, talent-intensive organizations also require soft skills that facilitate execution across departments. IT Industry cannot rest in peace under the assumption that once they have recruited the employee in place, 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 beyond argument that it is the people who make or break the organization. Managing the talent of key employees is critical to achieve the success in long-term by any organization. Talent management involves individual and organizational development in response to a changing and complex operating environment. It includes the creation and maintenance of a supportive, people oriented organization culture. Hence this research is carried to understand the potentiality of an employee's so that the organization can prepare their employees as a competitive advantage through Talent management factors like: talent identifications, talent acquisition, talent development, talent mobilization and talent retention and maintenance. The factors influences in building knowledge managers for competitive advantage. For this study IT sector has considered, around 10 different companies covered with 100 employees. Self-designed Structured questionnaire has been prepared for this survey based on conceptual model. For questionnaire expert opinion has taken from concerned corporates, filed experts, academicians. For data analysis *Cronbach's Alpha* statistical tool has used to check the reliability test. The result is .979 has come, which indicates the highest reliability.

Copyright©2018 Ashwini Yarnal and Muragesh Y Pattanshetti. This is an open access article distributed under the Creative Commons Attribution License, which permits unrestricted use, distribution, and reproduction in any medium, provided the original work is properly cited.

INTRODUCTION

In today's challenging business environment of going global, competition is becoming intense, organizations have mounting pressure to perform better than before. Over the years, creation and preservation of knowledge has become a key tool in accelerating competitiveness and enhancing organizational capabilities to respond to market changes (Bryan, 2004), matching employees' skills and personalities effectively deploying to optimize performance, is a critical and difficult task. Furthermore, identifying and developing executives who have leadership potential, like every other vital strategic function, is a demanding process. (Judy Klein and Stephen A. Miles, 2003).

*Corresponding author: **Ashwini Yarnal**

BLDEA's, A S Patil, College of Commerce, MBA Dept Vijayapur

The Indian economy has undergone substantial changes since the introduction of economic reforms in 1991. As per Indian Economy is the seventh -largest in the world by nominal GDP and the third-largest by purchasing power parity (PPP) 2016. The country is one of the G- 20 major economies, a member of BRICS and a developing economy that is among the top 20 global traders according to the WTO¹. IMF projects India's GDP to pick up in 2016 to 7.6 per cent². As per Central Statistical Organization, in 2016-17, India's GDP at current prices is expected to be 121.55 Lakh Crore Indian Rupee³.

India has the second fastest growing services sector in the Indian economy with an annual compound growth rate of 8.8 per cent according the Economic survey 2016-17⁴. The services sector is a vital component of the Indian economy and has emerged as one of the largest and fastest growing sector not just in the country but in the global landscape;

subsequently, its contribution towards global output and employment has been substantial.

1. Economy of India, Giftworldexpo, article published in the year 25/07/2015.
2. Live mint, E-Paper, 07, March 2017.
3. The Indian Express, Jan 6, 2017.
4. Economic Survey: 2016-17, published in Indian economy, Jan 2017.

Need For the Study

- India cannot supply enough talent for IT growth, if industry and academia fails to address the gap.
- The root cause for the shortage of skilled human power is poor quality of higher education. (as per National Skilled Development Report of 2015)
- In India universities produce 3 million engineering graduates every year, out of which only 10 to 25% are employable (IIT exception).
- Hence this study will show certain planning and strategies that can be implemented by the IT corporate's for squeezing out the talent of the knowledge workers and tailor making them according to the requisites of the IT industry setup.

Significance of the Study

The growth rate of the IT domestic market is 22.4 per cent in the financial year 2016-17. The domestic IT-BPO revenue is expected to post 10 percent growth to 141 crore in the ongoing fiscal and further grow by 11-13 percent to achieve revenue of Rs.1.56-Rs1.59 lakh crore in 2016-17. The Information Technology sector has been growing at Compounded Annual Growth Rate (CAGR) of 22.4 per cent during the last five years (2011-16). "The contribution by the IT sector in India's GDP has increased from 6.4 per cent in 2008 to 7.5 per cent in 2012," Minister of State for Communications and IT Sachin Pilot. The sector has provided direct employment to 2 lakh people and indirect employment to one crore people⁵. The IT companies attract the best talent and ensure that employees join the company and choose to stay in the organization rather than look for opportunities elsewhere. Present study intends to find out the existing IT Sector talent scenario so as to analyze its emerging challenges and trends. The study intends to detect the required talents, make talents more mobile and versatile, develop talents, promote talents to strategic projects or to higher positions, retain talents with company or Group, built talents' network. Talent management has impact on organizations performance as it strives to attract the best talent, retain, develop, mobilize and maintain for future assignments.

5. The sector is projected to grow to 43 lakhs by 2019: By Minister for Electronics and IT Ravi Shankar Prasad.

Scope of the Study

The present study aims to understand the impact of talent management practices on employees and HR managers in IT sector of Karnataka State in India. The study helps in improving the efficiency of the employees and HR managers and also IT companies to formulate effective strategies for increasing the talent of the employees. The study aims to attract, motivate, reward and retain the talented employees in IT sector. The information generated from this study will be useful for the organization as it will assist top management in their efforts to ensure that talent management practices as

defined by the policies, procedures and processes are well understood and help to retain employees. In addition the research could assist in identifying suitable retention interventions for the organization. The identification of different constraints at talent management would be helpful in finding remedial measures and overall improvement of IT companies in the Bengaluru district.

Objective of the Study

1. To study the employee understanding of different talent management practices like Talent Identification, Talent Acquisition, Talent Development and Talent Mobilization and Talent Retention and Maintenance being followed in IT sector.
2. To understand the Impact of Talent management practices on organizational performance indicators like market growth.
3. To suggest ways and means of improving talent management process on a sustainable basis.
4. To study Talent Management role in strengthening organizational goals.

Research Questions

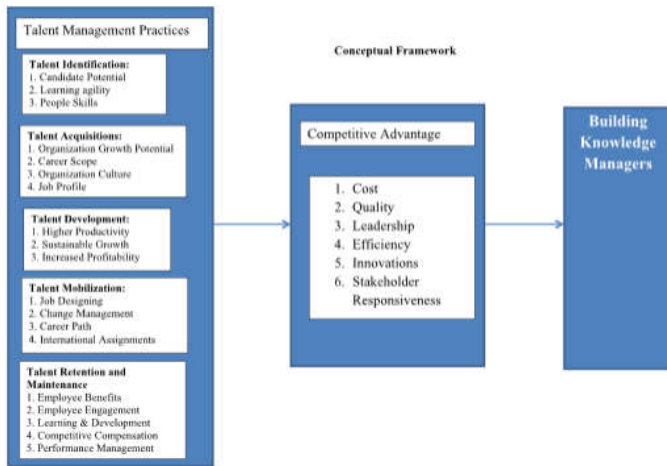
1. How employees' do perceives talent management practices followed in IT organization?
2. What is the impact of Talent management practices on Organizational Performance?
3. How to bring about improvement in talent management process?
4. How to apply Talent management role in strengthening Organizational goals?

Hypothesis

- H1: Talent Management has a Positive Impact on Effective Performance of an Organization.
- H2: Talent Identification and Acquisition is an important factor in Building Knowledge Managers.
- H3: Talent Development creates Competitive Advantage.
- H4: Talent Mobilization enables in Achieving Core Competency.
- H5: Talent Retention and Maintenance facilitates Sustainable development of the Organizations.

Conceptual Model on Talent Management

The researcher has built the following Conceptual model



Pilot Study

A sample of size 30 or more is called a large sample. Ideally sample size should be more than 30 otherwise observations when exploring relationship between 2 variables will be small. The questionnaire used for pilot study consists of 90 questions designed to find out the impact of talent management practices in IT sector. Each question has to be rated by the respondent on a five point Likert type scale of 1 to 5. 1 denotes low and 5 denotes high quality of the current function. (1- Strongly disagree and 5- Strongly agree)

Final questionnaire consisted of 81 questions

The instrument was tested for its reliability using Cronbach’s alpha. The Cronbach’s alpha for the instrument was found out to be 0.979 which indicates that the instrument is highly reliable.

RESEARCH METHODOLOGY

The present study is Exploratory in Nature i.e. to explore the talent management in IT sector.

Primary data

- Structured Questionnaire

Secondary Data: The data was also compiled through the sources like central government websites, state government websites, and Annual Economic surveys conducted by the government, STPI websites, NASSCOM Annual reports & website.

OVERVIEW OF LITRERATURE

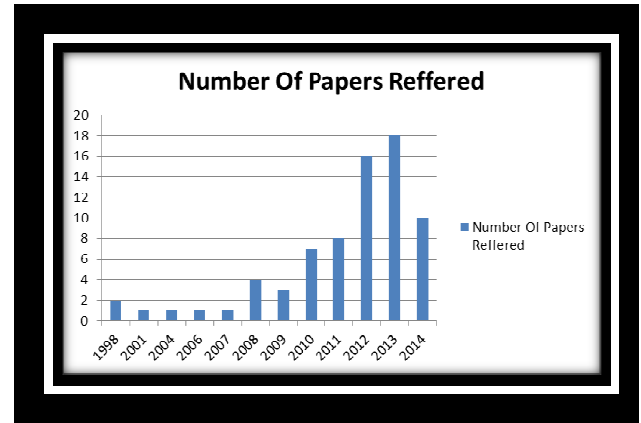
Objectives of Literature Review

1. The literature is reviewed from a total number of Journal 69, 2 books and 34 Doctoral dissertations, Articles 19, and Conference 3 for the existing review.
2. The present review tries to explore the various models and practices in talent management. The different areas where, gaps are identified in

terms of scope for further model development and sectorial application.

3. The review is presented in four section

- Understanding the importance of Talent management.
- Review of Talent Management and Model.
- Identify the research Gaps.



SL.No.	Source of Literature	Number of Papers
1	Journal of Talent Management	69
2	Articles	19
3	Thesis	34
4	Books	02
5	Conferences	03
	Total	127

Research Gaps

- Most of the studies mentioned in the review of related literature have been done with a very limited purpose of probing into some of the facets of Performance Management Systems, causes for Attrition and Retention Strategies.
- There has been a larger degree of research about talent management in western context. Not much research has been done in Indian context.
- A very few studies has been done in Silicon Valley of India (Karnataka) and hence this study has taken up.

Data Analysis and Interpretation

Reliability Statistics	
Cronbach's Alpha	N of Items
.979	53

Item-Total Statistics				
	Scale Mean if Item Deleted	Scale Variance if Item Deleted	Corrected Item-Total Correlation	Cronbach's Alpha if Item Deleted
"Creating a culture that makes individual want to join the organization	195.4800	1162.414	.868	.978
"Creating higher productivity environment will enhance the talent development in an organization.	195.4000	1167.091	.877	.978
"Increased profitability will enhance the development of talented employees in the organization.	195.4200	1179.882	.757	.978
"Organization growth potential plays a vital role/required to acquire the talented employee.	195.4100	1164.345	.869	.978
Active engagement is required in each area to maximize the quality and length of the employee life cycle for managing talent in an organization.	195.4300	1166.833	.910	.978
Aligning the right people to the right roles with right values will lead to improved quality of organization.	195.4500	1184.290	.765	.978
An insufficient budget for managing and developing talent.	195.6400	1181.041	.791	.978
Assessing Candidates Skill earlier in Hiring process is necessary	195.4700	1168.979	.821	.978
Candidate potentiality is necessary in identifying the talented employee to the organization.	195.6300	1167.124	.899	.978
Career path plans are provided as a policy measures by the management to mobile the talent in the organization.	195.7300	1170.462	.835	.978
Career scope will standardize in acquiring talented people in the organization	195.3600	1171.546	.834	.978
Change management will give a structured process of mobilizing in the organization.	195.5900	1181.174	.782	.978
Competitive pay scale should be maintained/practiced in the organization.	195.6600	1166.429	.776	.978
Create efficiencies in recruitment processes and workflows in the organization.	195.3000	1183.162	.749	.978
Creating policies that encourage career growth and development opportunities based on Talent Identification	195.4500	1177.785	.821	.978
Current employment status	198.5100	1251.141	-.372	.980
Customer responsiveness is continuous learning processes which help in building talent for competitive advantage	195.5000	1183.364	.761	.978
Customer responsiveness is growing evidence of talent which increases the organization performance	195.4900	1178.071	.805	.978
Demotivated employees and significant turnover negatively influence organizational effectiveness and disrupts efficiency and productivity	195.3800	1194.016	.638	.978
Designation	195.7600	1193.497	.247	.981
Development of talent will provide an accelerated development paths for highest potential employees in the organization.	195.4500	1178.290	.738	.978
Educational Qualification	198.2600	1214.740	.250	.979
Employee benefits are empowered to retain talented employees in the organization.	195.5400	1198.918	.537	.979
Employee engagement leads to high talent retention in the organization.	195.4700	1193.666	.604	.978
Focus is on retaining both talent and knowledge	198.6700	1239.254	-.358	.979
Framing of talent management strategies will develop the potentiality and lever of organizational growth.	195.4400	1189.118	.712	.978
Honesty and Transparency in Identifying, acquiring, developing, retaining and mobilizing talent is highly required in Talent management practices of an organization	198.6900	1234.075	-.126	.979
Innovation helps to build differentiated capabilities and deliver the best.	195.4200	1172.589	.888	.978
Innovation improves employment brands and management practices	195.4000	1175.071	.877	.978
Innovation will fill talent gaps by building new people capabilities and up skilling existing workforce	195.3600	1174.495	.851	.978
Internal promotions help in reducing recruitment cost.	195.7500	1169.098	.789	.978
Job profile will provided a platform to acquire talent candidate in the organization.	195.4800	1178.798	.821	.978
Lack of learning and developmental opportunities in the organization	195.4100	1169.355	.830	.978
Leaders should work closely with the management to attract, hire, develop and retain talent	195.5000	1175.727	.875	.978
Leadership developments have a significant impact an talent retention in organization	195.5100	1176.010	.797	.978
Leadership should focus on retaining and developing talent of organization.	195.4900	1168.212	.891	.978
Leading plays a role of developing, involving, managing, processing and accountability of talent in the organization.	195.5800	1170.751	.849	.978
Talent management is tightly linked with business strategy	198.7500	1230.533	.120	.979
Talent management leads to manage all activities that relate to performance and career management	195.4800	1176.293	.861	.978
Talent management practices are effective to maintain its unique culture while achieving key business goals such as responsiveness to customer needs	195.5500	1167.624	.870	.978
Talent management practices for organization help in rebuilding of employees training and development systems.	198.6800	1239.836	-.404	.979
Talent management practices help in rebuild your training and development system	198.6900	1236.317	-.243	.979
Talent retention influences HR outcomes (eg; motivation, productivity, turnover) to reach specific indicators of Financial and market performance of the organization.	195.5400	1178.716	.816	.978
Talent.identification.recognizes.current.employees.with.potential.to.become.elite.employees	198.7300	1232.987	-.093	.979
Tenure in the current	197.4300	1218.025	.185	.979
The cost of retaining top talent becomes unsustainable.	195.3700	1175.650	.799	.978
The mediating role of customer responsiveness in the values-market, performance linkage in an organization	195.5600	1186.309	.700	.978
The organizations should pay special attention to develop the best talent, so that can take good care of their own performance.	195.3400	1174.045	.821	.978
The pay levels are unfair relative to others within/other organization.	195.3800	1179.268	.788	.978
The quality of talent conversation is most valuable aspect for mapping an employee's potential.	195.4800	1175.909	.837	.978
The Risk of a workforce becoming unaffordable by an organization	195.6200	1168.218	.832	.978
The talent mobilization process impacts many potential elements that could influences employees like retention decisions, including effects on family, pay and benefits, job and tasks.	195.4000	1177.616	.807	.978
The total cost of the workforce becomes unsustainable in relation to current revenues.	195.5600	1179.299	.775	.978

Scale Statistics			
Mean	Variance	Std. Deviation	N of Items
199.7700	1231.734	35.09607	53

From the above analysis there is high reliability with .979, this shows the high significance value. The std deviation is 35.09607 and variance denotes 1231.74.

CONCLUSION

Talent management is the distinguished key driver of organization performance. Talent gaps in a business organization open the doors for new recruitment. IT sector today is interestingly concerned with selecting and retaining

competent, committed people who are exclusively known as knowledge (workers) managers. The future of organization depends on how the whole organization and not just HR anticipates and reacts to changes in this era of Talent shortages. They have a long way to lead organization implement for reaching changes and bringing about transformation among the members/employees of the organization. Thus in this study Talent Management has its implication on organization performance as it strives to attract the best talent, retain them, develop and maintain for future assignments.

Reference

1. Ashton, C., & Morton, L. (2005). Managing Talent for Competitive Advantage. *Strategic HR Review*, 4(5), 28-31.
2. Barron, A. and Armstrong, M. (2007) Human capital management-achieving through people, London: Kogan Page
3. Bhatla 2007,-Talent Management and Employer Branding 162 Retention battle Strategiesl, November, 2008, Icfaian Journal, pp.54-55.
4. Becker, B. E., Huselid, M. A., & Ulrich, D. (2001). *The HR scorecard: linking people, strategy, and performance*. Boston, Mass: Harvard Business Press.
5. Becker, B. E., Huselid, M. A., & Beatty, R. W. (2009). *The Differentiated Workforce: Transforming Talent into Strategic Impact*. Boston, Mass: Harvard Business School Press.
6. Bryan L Lowell, 2004, -Making a Market in Knowledge, The Mckinsey Quarterly, No. 3, pp 100-12.
7. Boston Consulting Group [BCG] (2008). *Creating people advantage*. Boston, Mass: Boston Consulting Group.
8. Cappelli, P. (2008). *Talent on Demand: Managing Talent in an Age of Uncertainty*. Boston, Mass: Harvard Business Press.
9. Christonel, 2002 Mabey, Christopher, and Salaman Graeme, Strategic Human Resource Management. Oxford; Blackwell Business.
10. Cunningham, I. (2007). Talent Management: making it real. *Development and Learning in Organizations*. 21(2), 4-6.
11. Collings, D. G., & Mellahi, K. (2009). Strategic Talent Management: What is it and how does it matter? *Human Resource Management Review*, 19(4), 304-313.
12. Derek Stokley, -How to Recruit and Retain the Bestl, Talent Magnets, Edited by Nasreen Taher.
13. Everts, HF (1998), -The Competency Programme of the American Management Association, *Journal of Management Development*, Vol.7, pp 48-56.
14. Fitz-Enz, J. (2009). *The ROI of Human Capital. Measuring the economic Value of Employee Performance*. NewYork: Amacom.
15. Fegley, S. (2006). 2006 talent management survey report. Alexandria, VA: Society for Human Resource Management.
16. Hansen, F. (2007). What is 'Talent'?. *Workforce Management*. 86(1).12-13. Hatch, N.W., & Dyer, J.H. (2004). Human capital and learning as a source of sustainable competitive advantage. *Strategic Management Journal*. 25(12). 1155-1179.
17. Heinen, J.S., & O'Neoll, C (2004), 'Managing Talent to Maximize Performance', *Employment Relations Today*, Vol.31, No.2, pp 67-82.
18. HR focus (ISSN 1059-6038) *HR Management* (2008), -Talent Management Tips from three successful companiesl, Institute of Management & Administration Talent Mgt., March, pp.3-4.
19. Jacobs R (1989), -Getting the Measure of Management Competencel, *Personnel Management*, Vol.21, No 6, pp 32-37.
20. Judy Klein, Stephen A Miles, -Optimizing Today's Talent Management Strategiesl, *Business Week Magazine*, 22 September, 2003.
21. Jones, R. (2008). Social capital: bridging the link between talent management and knowledge management. In V. Vaiman and C.M. Vance (eds) *Smart Talent Management -Building Knowledge Assets for Competitive Advantage*. 217-233. Elgar Publishing, UK.
22. Karthikeyan, J (May 2007), *Talent Management Strategies*, *NHRD Journal, Hyderabad*, pp 23-6.
23. Laff, M. (2006). *Talent Management: From Hire to Retire*. T+D Alexandria. 60(11). 42-50.
24. L. A. Berger & D. R. Berger (Eds.). *The Talent Management Handbook: Creating Organizational Excellence by Identifying, Developing and Promoting Your Best People*. New York: McGraw-Hill.
25. Lawler, E;E. 2008. *Talent. Making people your competitive advantage*. San Francisco: Jossey-Bass.
26. Lewis, R. E., & Heckman, R. J. (2006). *Talent management: A critical review*. *Human Resource Management Review*, 16, 139-154.
27. Manpower Inc, (October 2006),-Talent Shortage Survey Results. Full results available at: <http://www.manpower.com/mpcom/articleid=3883>
28. Michaels, E., Handfield-Jones, H. & Axelrod, B, 2002, -The War for Talentl, Harvard Business School Publishing, Boston.
29. McCauley, C. & Wakefield, M.(2006), -Talent Management in the 21st Century: Help Your Company find, develop, and keep its strongest workersl, *The Journal for Quality and Participation*, Vol.29,No 4, pp 4-8.
30. Ready, D.A. & Conger, J.A. (2007), -Make Your Company a Talent Factoryl, *Harvard Business Review*. Vol.85, No.6, pp 68 5.
31. Schuler, R. S., Jackson, S., & Tarique, I. (2010). *Framework for Global Talent Management: HR Actions for dealing with Global Talent Challenges*. In H. Scullion & D. G. Collings (Eds.), *Global Talent Management*. London: Routledge.
32. Schweyer, A. (2004). *Talent Management Systems: best practices in technology solutions for recruitment, retention and workforce planning*. Canada: Tri-Graphic Printing.
33. Tarique, I., & Schuler, R. S. (2010). *Global Talent Management: Literature Review, Integrative Framework, and Suggestions for Further Research*. *Journal of World Business*, 45(2), 122-133.