

Influence of Talent Management Practices on Commitment of Non-critical Employees in IT Companies in Chennai

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Abstract- This study examines the influence of Talent Management practices on commitment of non-critical employees in IT industry in Chennai, India. All employees have their own contribution to meet the success in long-term by any organization. HR managers of 60 large IT companies, located in Chennai were interviewed and surveyed to get better insights on Talent management practices and in addition, they provided a sample of their critical and a sample of their non-critical Employees. Commitment questionnaire was administered with 250 non critical employees. The results show that there is a significant difference between socio-economic features of non-critical employees and preference of talent management practices in IT companies. The regression analysis implies that job rotation and shadowing, mentoring and buddying, high potential development schemes, graduate development programmes and development centers are positively and significantly influencing the commitment of non-critical employees in IT companies at one per cent level, while, 360-degree feedback, cross functional project assignments and external secondments are negatively and significantly influencing the commitment of non-critical employees in IT companies at five per cent level. Organizations should thus take into account that Talent Management practices substantially impacts the commitment of workforce considered as non-critical. Further research is needed to conclude upon its impact on Organization performance as a whole.

Index Terms—Talent Management, Talent Segmentation, Non-Critical employees, Commitment, IT industry

I. INTRODUCTION

The present organizations are facing talent crunch and it has become a problem for HR managers to retain the key talents (PricewaterhouseCoopers, *12th Annual Global CEO Survey*, 2009) and extract better performance from them (McKinsey & Company, 1998). In the present testing business condition of going worldwide and rivalry getting to be plainly extraordinary, organizations have mounting weight to perform better than anyone might have expected. As the talent war continues, today the importance of competitive Talent Management is often emphasized (Boudreau & Ramstad, 2007; Capelli, 2008) and many of them think that the inability to attract and retain the best talent is one of the top threats to success. Lockwood (2006, p.1) argues that “in a competitive

marketplace, Talent Management is a primary driver for organizational success”. Talent will determine the success of organizations and hence, Talent management is the main priority of management (Michaels, et. al., 2002).

Some authors favor exclusive segmentation for delivering Talent management practices by arguing that talent segmentation is as important as customer segmentation (Boudreau and Ramstad, 2004 and 2005). Some researchers and practitioners favor inclusive segmentation as they consider all employees have talent and that should be managed (Lewis and Heckman, 2006, CIPD, 2006). According to Deloitte (2008) a Critical work force are those groups within an organization that drive the organization’s success/value and are hard to obtain and retain and critical workforce segment changes according to the strategy of the firm. The McKinsey quarterly (2008) suggests that companies must address the needs of talent at all levels of the organization. “There is obvious appeal to a homogeneous approach. It allows companies to tap economies of scale, simplify processes, facilitate the mobility of employees across the enterprise to develop leaders and optimize staffing, and build a cohesive employment brand that creates competitive advantage in the labor markets” (Nalbantian and Ferracone, 2007, p.1). So it will be worth examining the Talent management practices influencing the commitment of non-critical employees.

The study of organizational commitment has attracted considerable interest as it affects employee turnover intention (Mathieu & Zajac, 1990; Porter, Mowday & Boulian, 1974; Khatri et al.2001) and the turnover of employees affects the profitability of the organization because of high recruitment and training cost (Sanford, 2005). Organizational commitment is the antecedent for lower turnover (Sagie, A., & Tziner, 2002; Koch & Steers, 1976; Agarwal, 1993) and better performance (Mowday, Porter and Dubin, 1974; Jauch, Glueck & Osbern, 1978; Larsen and Fukami, 1984; Mathieu & Zajac, 1990) and help to maintain better superior subordinate relationship and organizational climate development (Awamleh, 1996).

II. METHODOLOGY

Among different IT hubs in India, Chennai city is selected for the present study. The 250 non-critical employees of IT companies are selected for the present study by using random sampling method and the data are collected from them through structured questionnaire. To study the socio-economic features of critical employees of IT companies and their preference of talent management practices, the frequency and percentage analysis are carried out. To examine the difference between socio-economic features of non-critical employees and their preference of talent management practices, the ANOVA (Analysis of Variance) test is applied. To analyze the influence of talent management practices on commitment of non-critical employees in IT companies, the multiple linear regression is used.

III. RESULTS AND DISCUSSION

Socio-economic features of non-critical employees of IT companies.

The socio-economic features of non-critical employees of IT companies were analyzed and the results are presented in Table-1.

TABLE.1. SOCIO-ECONOMIC FEATURES OF NON-CRITICAL EMPLOYEES

Socio-Economic Features	Number of Non-Critical Employees	Percentage
Gender		
Male	140	56
Female	110	44
Age Group		
21-25 Years	65	26.00
26-30 Years	99	39.60
31-35 Years	39	15.60
36-40 Years	30	12.00
Above 40 Years	17	6.80
Functional Area		
Operation	118	47.20
Marketing	69	27.60
Human Resource	26	10.40
Finance	23	9.20
Others	14	5.60
Working Experience		
1-3 Years	57	22.80
4-6 Years	105	42.00
7-9 Years	43	17.20
10-12 Years	23	9.20
More than 12 Years	22	8.80
Career Stage		
Entry	48	19.20
Intermediate	162	64.80
Senior	40	16.00

The results indicate that about 56.00 per cent of non-critical employees are males, while, the remaining of 44.00 per cent

of non-critical employees are females. It is inferred that the majority of non-critical employees are males. It is observed that about 37.20 per cent of non-critical employees belong to the age group of 26-30 years followed by 21-25 years (29.60 per cent), 31-35 years (20.40 per cent), above 40 years (8.00 per cent) and 36-40 years (4.80 per cent). It is inferred that the majority of non-critical employees belong to the age group of 26-30 years. It is clear that about 44.00 per cent of non-critical employees are working in the functional area of operation followed by marketing (30.80 per cent), finance (11.20 per cent), human resource (10.80 per cent) and others (3.20 per cent). It reveals that the most of non-critical employees are working in the functional area of operation. It is apparent that about 39.60 per cent of non-critical employees have the work experience of 4-6 years followed by 1-3 years (28.40 per cent), 7-9 years and 10-12 years (13.20 per cent) and more than 12 years (5.60 per cent). It is inferred that the majority of non-critical employees have the work experience of 4-6 years. The results show that 59.60 per cent of non-critical employees are married, while, the rest of 40.40 per cent of non-critical employees are unmarried. It is inferred that the majority of non-critical employees are married. It is observed that about 63.20 per cent of non-critical employees belong to the nuclear family, while, the remaining of 36.80 per cent of non-critical employees belong to the joint family. It reveals that the most of non-critical employees belong to the nuclear family. It is clear that about 48.80 per cent of non-critical employees are in the carrier stage of entry followed by intermediate stage (41.20 per cent) and senior stage (10.00 per cent). It is inferred that the majority of non-critical employees are in the carrier stage of entry.

Preference of talent management practices by non-critical employees of IT companies

The preference of talent management practices by non-critical employees of IT companies was analysed and the results are presented in Table-2.

TABLE.2. PREFERENCE OF TALENT MANAGEMENT PRACTICES BY NON-CRITICAL EMPLOYEES OF IT COMPANIES

Talent Management Practices	Strongly Agree	Agree	Neutral	Disagree	Strongly Disagree	Total
In house development programmes	52 (20.80)	98 (39.20)	39 (15.60)	32 (12.80)	29 (11.60)	250 (100.00)
Coaching	79 (31.60)	80 (32.00)	40 (16.00)	30 (12.00)	21 (8.40)	250 (100.00)
Succession planning	65 (26.00)	77 (30.80)	60 (24.00)	33 (13.20)	15 (6.00)	250 (100.00)

	(26.00)	80)	00)	(13.20)	0)	00)
Mentoring and buddying	58 (23.20)	86 (34.40)	54 (21.60)	28 (11.20)	24 (9.60)	250 (100.00)
Cross functional project assignments	84 (33.60)	63 (25.20)	40 (16.00)	41 (16.40)	22 (8.80)	250 (100.00)
High potential development schemes	48 (19.20)	108 (43.20)	47 (18.80)	30 (12.00)	17 (6.80)	250 (100.00)
Graduate development programmes	67 (26.80)	80 (32.00)	36 (14.40)	43 (17.20)	24 (9.60)	250 (100.00)
Courses at external institutions	66 (26.40)	80 (32.00)	57 (22.80)	24 (9.60)	23 (9.20)	250 (100.00)
Internal secondments	69 (27.60)	79 (31.60)	50 (20.00)	32 (12.80)	20 (8.00)	250 (100.00)
Assessment centres	77 (30.80)	75 (30.00)	70 (28.00)	15 (6.00)	13 (5.20)	250 (100.00)
360-degree feedback	68 (27.20)	93 (37.20)	38 (15.20)	30 (12.00)	21 (8.40)	250 (100.00)
Job rotation and shadowing	74 (29.60)	72 (28.80)	51 (20.40)	24 (9.60)	29 (11.60)	250 (100.00)
Development centers	56 (22.40)	89 (35.60)	40 (16.00)	36 (14.40)	29 (11.60)	250 (100.00)
Action learning sets	63 (25.20)	82 (32.80)	45 (18.00)	38 (15.20)	22 (8.80)	250 (100.00)

External secondments	69 (27.60)	95 (38.00)	40 (16.00)	25 (10.00)	21 (8.40)	250 (100.00)
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The results show that about 39.20 per cent of non-critical employees are agreed with they prefer in house development programmes followed by strongly agree (20.80 per cent), neutral (15.60 per cent), disagree (12.80 per cent) and strongly disagree (11.60 per cent). The results indicate that about 32.00 per cent of non-critical employees are agreed with they prefer coaching followed by strongly agree (31.60 per cent), neutral (16.00 per cent), disagree (12.00 per cent) and strongly disagree (8.40 per cent). It is clear that about 30.80 per cent of non-critical employees are agreed with they prefer succession planning followed by strongly agree (26.00 per cent), neutral (24.00 per cent), disagree (13.20 per cent) and strongly disagree (6.00 per cent). It is observed that about 34.40 per cent of non-critical employees are agreed with they prefer mentoring and buddying followed by strongly agree (23.20 per cent), neutral (21.60 per cent), disagree (11.20 per cent) and strongly disagree (9.60 per cent). It is apparent that about 33.60 per cent of non-critical employees are strongly agreed with they prefer cross functional project assignments followed by agree (25.20 per cent), disagree (16.40 per cent), neutral (16.00 per cent) and strongly disagree (8.80 per cent). The results show that about 43.20 per cent of non-critical employees are agreed with they prefer high potential development schemes followed by strongly agree (19.20 per cent), neutral (18.80 per cent), disagree (12.00 per cent) and strongly disagree (6.80 per cent). The results indicate that about 32.00 per cent of non-critical employees are agreed with they prefer graduate development programmes followed by strongly agree (26.80 per cent), disagree (17.20 per cent), neutral (14.40 per cent) and strongly disagree (9.60 per cent). It is clear that about 32.00 per cent of non-critical employees are agreed with they prefer courses at external institutions followed by strongly agree (26.40 per cent), neutral (22.80 per cent), disagree (9.60 per cent) and strongly disagree ((9.20 per cent). It is observed that about 31.60 per cent of non-critical employees are agreed with they prefer internal secondments followed by strongly agree (27.60 per cent), neutral (20.00 per cent), disagree (12.80 per cent) and strongly disagree (8.00 per cent). It is apparent that about 30.80 per cent of non-critical employees are strongly agreed with they prefer assessment centres followed by agree (30.00 per cent), neutral (28.00 per cent), disagree (6.00 per cent) and strongly disagree (5.20 per cent). The results show that about 37.20 per cent of non-critical employees are agreed with they prefer 360-degree feedback followed by strongly agree (27.20 per cent), neutral (15.20 per cent), disagree (12.00 per cent) and strongly disagree (8.40 per cent). The results indicate that about 29.60 per cent of non-critical employees are strongly agreed and neutral with they prefer job rotation and shadowing followed by agree (28.80 per cent), neutral (20.40 per cent), strongly disagree (11.60 per cent) and disagree (9.60 per cent). It is

clear that about 35.60 per cent of non-critical employees are agreed with they prefer development centers followed by strongly agree (22.40 per cent), neutral (16.00 per cent), disagree (14.40 per cent) and strongly disagree (11.60 per cent). It is observed that about 32.80 per cent of non-critical employees are agreed with they prefer action learning sets followed by strongly agree (25.20 per cent), neutral (18.00 per cent), disagree (15.20 per cent) and strongly disagree (8.80 per cent). It is apparent that about 38.00 per cent of non-critical employees are agreed with they prefer external secondments followed by strongly agree (27.60 per cent), neutral (16.00 per cent), disagree (10.00 per cent) and strongly disagree (8.40 per cent).

Socio-economic features of non- critical employees and their preference of talent management practices

To examine the difference between socio-economic features of non- critical employees and their preference of talent management practices, the ANOVA (Analysis of Variance) test is applied and the results are presented in Table-3.

TABLE.3. SOCIO-ECONOMIC FEATURES OF NON- CRITICAL EMPLOYEES AND THEIR PREFERENCE OF TALENT MANAGEMENT PRACTICES

Particulars	F- Value	Sig
Gender and Preference of Talent Management Practices	101.711	.000
Age Group and Preference of Talent Management Practices	10.589	.000
Functional Area and Preference of Talent Management Practices	6.545	.000
Working Experience and Preference of Talent Management Practices	2.797	.027
Career Stage and Preference of Talent Management Practices	.430	.513

The F- value of 101.711 is significant at one per cent level indicating that there is significant difference between gender of non-critical employees and preference of talent management practices. The F- value of 10.589 is significant at one per cent level indicating that there is significant difference between age group of non-critical employees and preference of talent management practices. The F- value of 6.545 is significant at five per cent level indicating that there is significant difference between functional area of non-critical employees and preference of talent management practices. The F- value of 2.797 is significant at five per cent level indicating that there is significant difference between working experience of non-critical employees and preference of talent management practices. The F- value of 7.257 is significant at one per cent level indicating that there is significant difference between career stage of non-critical employees and preference of talent management practices.

Influence of talent management practices on commitment of non-critical employees in IT companies

To analyse the influence of talent management practices on commitment of non-critical employees in IT companies, the multiple linear regression is used and the results are presented in Table-4. The results indicate that the coefficient of multiple determination (R^2) is 0.55 and adjusted R^2 is 0.53 indicating the regression model is good fit. It is inferred that about 53.00 per cent of the variation in dependent variable (Commitment) is explained by the independent variables (Talent Management Practices). The F-value of 12.789 is statistically significant at one per cent level indicating that the model is significant.

TABLE.4. INFLUENCE OF TALENT MANAGEMENT PRACTICES ON COMMITMENT OF CRITICAL EMPLOYEES IN IT COMPANIES

Talent Management Practices	Regression Coefficients	t- value	Sig
Intercept	36.213**	13.942	.000
In house development programmes	-.435	1.510	.132
Coaching	.008	.027	.978
Succession planning	-.074	.234	.815
Mentoring and buddying	1.320**	4.057	.000
Cross functional project assignments	-.666*	2.292	.023
High potential development schemes	1.174**	3.351	.001
Graduate development programmes	1.116**	3.904	.000
Courses at external institutions	.529	1.788	.075
Internal secondments	.196	.708	.479
Assessment centres	.483	1.271	.205
360-degree feedback	-.746*	1.983	.049
Job rotation and shadowing	1.696**	4.464	.000
Development centers	.946**	3.417	.001
Action learning sets	-.447	1.570	.118
External secondments	-.584*	2.066	.040

R ²	0.55		
Adjusted R ²	0.53		
F	12.789		.000
N	250		

The results show that job rotation and shadowing, mentoring and buddying, high potential development schemes, graduate development programmes and development centers are positively and significantly influencing the commitment of non-critical employees in IT companies at one per cent level, while, 360-degree feedback, cross functional project assignments and external secondments are negatively and significantly influencing the commitment of non-critical employees in IT companies at five per cent level. Hence, the null hypothesis of there is no significant influence of talent management practices on commitment of non-critical employees in IT companies is rejected.

IV. CONCLUSION

After the text edit has been completed, the paper is ready for Majority of non-critical employees are males and belong to the age group of 26-30 years and most of non-critical employees are working in the functional area of operation. Majority of non-critical employees have the work experience of 4-6 years and in the carrier stage of entry level. There is significant difference between socio-economic features of non-critical employees and their talent management preferences and commitment towards IT companies.

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