CHAPTER - 8
FINDINGS AND SUGGESTIONS

The Indian information technology sector is world’s largest sourcing destination which helped to make its mark on the world map. There is a remarkable contribution of Indian information technology industry towards the country's GDP. Being an industry that is closely linked to the country’s growth, this sector has been continuously witnessing a high number of attrition rates. The decisions of employee’s about staying inside or leaving any organization depends upon conditions that the organization provides to them. As if they will better opportunities outside organizations, they leave their current organization. Talented individual’s management and to preserve them from immigration is one of the problematic topics that is in front of information technology companies. Though the talent management is gaining increasingly importance, it is still in its infancy as an area of study in India. The present study tries to integrate the research on TM related aspects. The study was aimed to find out the talent management in information technology sector which starts by defining the meaning of talent and talent management with the help of various definitions from the literature review. For the attainment of the various objectives, data was collected by means of questionnaire from 600 employees working in selected six information technology companies in national capital resign of India. Out of these 600 partially filled questionnaires, 510 were used for further analysis. Appropriate statistical techniques were employed for data analysis i.e. frequency and percentage analysis, reliability and validity analysis, factor analysis, correlation analysis, multiple regression analysis, rank correlation test for Agreement in Multiple Judgments, Mann-Whitney Test and Kruskal-Walis Test. Based on the data analysis and interpretation, the objective wise main findings are recapitalized and presented here below:

8.1 Objective I
The first objective of the study was to know the existing status of the TM practices in the selected IT companies. For the attainment of this objective primary and secondary, both types of the data was used. Data was further analyzed by using frequency and percentage analysis with the help of IBM SPSS Version 21. The study revealed the following:

- The attrition rates in selected companies showed an upswing during previous years which indicate that the IT employees are not only sticking to their present organizations; they are looking for offers from other organizations simultaneously.
The double digits stubbornly high attrition rates depicts that the companies are failing somewhere in the management of their talented people. The talent management practices are not up to the mark to retain the talent employees in their organizations.

- 78.8 percent of the employees said that their company is focused to attract the talented employees whereas 21.2 percent out of 510 respondents were not agreed with the statement.
- 88.6 percent of the respondents said that the IT companies are having their specified hiring standards whereas out of 510, 58 employees were not agreed with it.
- 72.7 percent of respondents said that the employees in the IT companies are fully occupied and committed to their organizations whereas 27.3 percent of the employees were said the vice-versa. 71 percent of the respondents said that the IT companies are having the right people at right jobs at right time whereas 29 percent of the employees were not agreed with that statement.
- 74.9 percent of employees revealed that the IT companies are very efficient in spotting the talented employees from the job market whereas 25.1 percent of the employees were not agreed with the statement.
- 65.5 percent of employees said that the IT companies welcome the challenges by giving the effective coaching, mentoring and personality development facilities to their employees whereas 176 respondents said that the companies do not welcome the challenges.
- 78 percent of the respondents said that their companies provide them regular feedback about their performances to make them feel valued and to push them whereas 22 percent of the respondents said the vice versa.
- 77.1 percent of the participants said that the ultimate goals of the company and the talent management goals are correlated. Whereas 22.9 percent of respondents were not agreed with that.
- 68.8 percent of the sample respondents said that the IT companies always try to retain the talented employees in their organizations whereas 31.2 percent of the respondents said the vice versa.
- 53.7 percent of the employees of the selected IT companies said that when they quit from their companies, exit interviews are always conducted to know about their opinions whereas 46.3 percent of the respondents were not agreed with the statement and said the vice-versa.
8.2 Objective II

Second objective was to identify and evaluate the factors affecting TM practices. For the achievement of this objective, primary data was used. With the help of literature review, EFA and CFA, five factors model was developed. These factors were derived with the help of EFA by using principal component analysis and further validated with the help of confirmatory factor analysis. KMO and Bartlett’s test was used. For measuring the sample adequacy, statistic used was KMO (Kaiser-Meyer-Olkin). The sample size for factor analysis technique was adequate as KMO Statistics was .922 which is greater than .5 (generally, a value <.5 is desirable Malhotra and Dash (2011)). Bartlett’s test of Sphericity statistics (p=.000) acknowledged that the population correlation matrix was not an identity matrix; hence the null hypothesis was rejected. On the basis of eigen value by using varimax rotation method those five factors were extracted and later validated. Those factors are given below:

- **Factor 1 Learning and Developmental Skills**
  This factor composed of nine items i.e. S8 (factor loading = .806), S9 (factor loading = .791), S15 (factor loading = .729), S16 (factor loading = .831), S17 (factor loading = .763), S18 (factor loading = .749), S19 (factor loading = .806), S20 (factor loading = .758) and S21 (factor loading = .801). This factor has been explained the highest percentage (16.827) of the total variance explained. Reliability (Cronbach’s Alpha = .930) of this factor was satisfactory. The relative chi-square (CMIN/DF) value for the construct was 4.766 which was also less than 5. The goodness of fit for learning and development was measured with the help of GFI (.950), AGFI (.916), NFI (.958) and CFI (.966) whereas RMSEA (.086) depicted the badness of fit. All the values of factor loadings and AVE (.6) were greater than .5 which revealed that the convergent validity of this factor was satisfactory. Discriminant validity was measured with the help of cross loadings (zero cross loadings) and MSV (.149) and ASV (.103).

- **Factor 2 Compensation and Commitment**
  This factor included seven statements i.e. S10 (factor loading = .706), S11 (factor loading = .772), S12 (factor loading = .794), S13 (factor loading = .777), S27 (factor loading = .764), S28 (factor loading = .778) and S29 (factor loading = .824). 12.998 percent of total variance was explained by this factor. Reliability was measured by using Cronbach’s Alpha (.910). The relative chi-square (CMIN/DF) value for compensation and commitment was 2.857. Value of GFI (.978), AGFI (.956), NFI (.980), CFI (.987) and RMSEA (.60) were satisfactory. The validity was measured by
calculating discriminant validity and convergent validity. The convergent validity composed of factor loadings and the value of AVE. And in the present study, all the values of factor loadings concerned with factor two were greater than .5. The AVE (.6) was also greater than .5. There were zero cross loadings in those seven items and the values of MSV (.159) and ASV (.116) were also satisfactory.

- **Factor 3 Organizational Culture and Communication**
  Seven items were contained under this factor i.e. S14 (factor loading = .773), S30 (factor loading = .778), S31 (factor loading = .672), S32 (factor loading = .813), S33 (factor loading = .805), S34 (factor loading = .759) and S35 (factor loading = .739). Factor three explained 12.660 percent of total variance. The reliability coefficient (Cronbach’s Alpha = .895) was also satisfactory. The relative chi-square value (4.359) was less than 5. Goodness of fit was measured with the help of GFI (.966), AGFI (.933), NFI (.966) and CFI (.974). RMSEA (.081) was the indicator of badness of fit. AVE (.6) was greater than .5. All the factor loadings related to factor three were greater than .5. Hence there was no issue of convergent validity. The discriminant validity was checked with cross loadings (zero) and MSV (.159) and ASV (.086).

- **Factor 4 Working Environment**
  This factor comprised of seven variables i.e. S1 (factor loading = .808), S2 (factor loading = .780), S3 (factor loading = .762), S4 (factor loading = .628), S5 (factor loading = .636), S6 (factor loading = .675) and S7 (factor loading = .829). 11.294 percent of variance was explained by factor four. The reliability coefficient (Cronbach’s Alpha = .865) was also satisfactory. Value of relative chi-square (2.441) was satisfactory. The goodness of fit for the construct i.e. working environment was measured with the help of GFI (.982), AGFI (.963), NFI (.976) and CFI (.986) whereas RMSEA (.053) depicted the badness of fit. All the values were lies in their perspective criterions. The convergent validity of the factor four was measured with the help of its perspective loadings (all related factor loadings were greater than .5) values and AVE (.5) value. There were zero cross loadings. Values of MSV (.06) and ASV (.039) were satisfactory.

- **Factor 5 Interpersonal Relationship**
  This factor composed of five variables i.e. S22 (factor loading = .845), S23 (factor loading = .785), S24 (factor loading = .651), S25 (factor loading = .801) and S26 (factor loading = .808). 9.514 percent of variance was explained by factor five. The
internal consistency (Cronbach’s Alpha = .873) of the items was found good. Relative chi-square statistics (4.168) was satisfactory and significant (p=.000) both. The goodness of fit was measured with the help of GFI (.984), AGFI (.952), NFI (.984) and the CFI (.988). RMSEA (.079) was the predictor of the badness of fit. The validation analysis for the factor five was done with the help of discriminant validity and convergent validity. All the factor loadings of the related variables and AVE (Average Variance Extracted) value were above .5. Zero cross loadings were found. The value of MSV (.145) and ASV (.104) were less than AVE. Hence there were no issue related to the validity and reliability of this construct.

- **First Order Five Factors Measurement Model**

  With the help of first order CFA, a five factors (learning and developmental skills, compensation and commitment, organizational culture and communication, working environment and interpersonal relationship) model was developed. The model’s reliability and validity was assessed. The reliability was measured with the help of Cronbach’s Alpha value. All the values were greater than the suggested criterion of .6 or above Malhotra and Dash (2011) i.e. learning and developmental skills (α=.930), compensation and commitment (α=.910), organizational culture and communication (α=.895), working environment (α=.865) and interpersonal relationship (α=.873). The relative chi-square statistics (χ²=1.822) for the overall measurement model was satisfactory (less than 5) and significant (p=.000) too. The fit indices represented a very good model fit as all the respective value lies in their suggested criterions Hooper et al (2008), Byrne (1998), Kline (2008), Browne & Cudeck (1993), MacCallum, Browne, & Sugawara (1996), Ho (2006) and Malhotra and Dash (2011). Goodness of fit of the measurement model was measured by GFI (.898), AGFI (.883), NFI (.906) and CFI (.955). RMSEA (.04) was used to measure the badness of fit. For the convergent validity, all the factor loadings of the constructs items and AVE (Average Variance Extracted) were checked. The criterion of values greater than .5 was achieved. Additionally, all the values of average variance extracted (learning and developmental skills = .6, compensation and commitment = .6, organizational culture and communication = .6, working environment = .5 and interpersonal relationship = .6) were lies in their suggested criterions. Discriminant validity for the model was also supported by the values of MSV and ASV. All the values of MSV (learning and developmental skills = .149, compensation and commitment = .159, organizational
culture and communication = .159, working environment = .06 and interpersonal relationship = .145) and ASV (learning and developmental skills = .103, compensation and commitment = .116, organizational culture and communication = .086, working environment = .039 and interpersonal relationship = .104) were less than the values of AVE.

8.3 Objective III

The third objective of the study was to find out the relationship between the TM practices and employee effectiveness. This objective was achieved with the help of the factors derived in objective two and the primary data collected to check employee effectiveness by using five point scale anchored strongly agree to strongly disagree. Furthermore, correlation and multiple regression techniques were used to find out the relationship. Five hypotheses were tested. The results are discussed here below:

- **Relationship between Learning and Developmental Skills and Employee Effectiveness**

Learning and developmental skills had large positive correlation (Person’s Coefficient of Correlation(r) =.531) with employee effectiveness which was significant (p=.000) at .01 level of significance. The correlation between learning and developmental skills and employee effectiveness was highest among all. Learning and developmental skills accounted 28.2 percent of change in the dependent variable (employee effectiveness) and predicted it in the best way on the basis of F-ratio (F=199.360) which was highly significant (p=.000) at .05 level of significance. The study revealed that if the learning and developmental skills increases by one unit, employee effectiveness will increase by .269 units, when the effect of other factors remains constant. The value of Standardized β indicated that if the predictor will increase by one standard deviation, the dependent variable will increase by .288 standard deviations when the impact of other factors held constant. On the basis of the t-statistics, the study acknowledged that there is significant relationship between learning and developmental skills and the employee effectiveness as the p value (.000) was less than .05. The variance inflation factor (1.252) and tolerance statistics (.799) both were acceptable and laid in their perspective suggested criterions Field (2013) which notified that there was no collinearity in the data.
• **Relationship between Interpersonal Relationship and Employee Effectiveness**

Although this factor viz. interpersonal relationship was extracted as fifth important factor affecting talent management practices by exploratory factor analysis, employee effectiveness had second highest large positive correlation (r=.504) with it which was significant (p=.000) as well at .01 level of significance. Interpersonal relationship accounted for 11.8 percent of significant (sig. =.000) change in employee effectiveness. When the predictors were learning and developmental skills and interpersonal relationship, F-ratio was 169.340 which was significant (Sig. = .000) at 5 level of significance. Furthermore, the study notified that when the effect of other factors remained constant the B (Unstandadrized Coefficient) value indicated that as interpersonal relationship increase by one unit, employee effectiveness will increase by .239 units. The value of Standardized β depicted that if interpersonal relationship increase by one standard deviation, employee effectiveness will increase by .246 standard deviations and other predictors remain constant. The collinearity was diagnosed with the help of variance inflation factor (1.242) and tolerance statistics (.805) and the both were found acceptable Field (2013). Hence, interpersonal relationship has significant and positive relationship and impact on employee effectiveness.

• **Relationship between Compensation and Commitment and Employee Effectiveness**

With the help of correlation analysis, the study revealed that the factor viz. compensation and commitment had third largest positive correlation (r=.490) with employee effectiveness which was significant (p=.000) at .01 level of significance. Compensation and commitment accounted for 6.5 percent of change in outcome (employee effectiveness) which was significant too. The F-ratio for compensation and commitment was 146.960 which was less than when the predictors were learning and developmental skills and interpersonal relationship. The study affirmed that as compensation and commitment increase by one unit, employee effectiveness will increase by .207 units, when the effect of other factors remains constant. The value of Standardized β depicted that if compensation and commitment increase by one standard deviation, employee effectiveness will increase by .213 standard deviations when the impact of other factors held constant. The variance inflation factor (1.301) and tolerance statistics (.769) both were acceptable and laid in their perspective
suggested criterions Field (2013) which acknowledged that there was no issue of multicollinearity in the data. Therefore we can conclude that compensation and commitment has significant and positive relationship and impact on employee effectiveness.

**Relationship between Working Environment and Employee Effectiveness**

Working environment and employee effectiveness had positive correlation (r=.388). Additionally, the coefficient of correlation was significant at .01 level of significance. Working environment accounted for 4.3 percent of change in the employee effectiveness which was significant as well. The F-ratio for learning and developmental skills, interpersonal relationship, compensation and commitment and working environment was 130.96 which was less than other three factors aforesaid. Moreover, the study acknowledged that when the impact of other factors remains constant the B (Unstandardized Coefficient) value indicated that as working environment increase by one unit, employee effectiveness will increase by .206 units. The value of Standardized β depicted that if working environment increase by one standard deviation, employee effectiveness will increase by .218 standard deviations and other predictors remain constant. There was no multicollinearity issue in the data as a result of variance inflation factor (1.084) and tolerance statistics (.922) both were acceptable. Hence, the study revealed that working environment has significant and positive relationship and impact on employee effectiveness.

**Relationship between Organizational Culture and Communication and Employee Effectiveness**

Even though the results of exploratory factors analysis stated this factor viz. organizational culture and communication as fourth important factor, its correlation (r=.420) with employee effectiveness was second least. Organizational culture and communication accounted for least amount (R square = 2.2 percent) of change in the dependent variable (employee effectiveness) among all predictors. Additionally, the least F-ratio (114.130) revealed that this factor was not good enough in predicting the outcome in comparison to others. The Unstandardized Coefficient value indicated that as organizational culture and communication increase by one unit, employee effectiveness will increase by .162 units. The value of Standardized β depicted that if organizational culture and communication increase by one standard deviation, Employee Effectiveness increase by .146 standard deviations and other predictors will
remain constant. The results of variance inflation factor (1.202) and tolerance statistics (.832) both were acceptable Field (2013) and it is followed that the data was free from collinearity issues. Hence, the study revealed that organizational culture and communication has significant relationship and impact on employee effectiveness.

On the basis of the analysis, we can conclude that talent management practices accounted 53.1 percent change in employee effectiveness. Additionally, talent management practices dimensions and employee effectiveness were positively related to each other. To make the predictions about the employee effectiveness, one equation is derived on the basis of analysis.

**Employee Effectiveness (EF) = -0.385 + 0.269 Learning and Developmental Skills (LDS) + 0.239 Interpersonal Relationship (IR) + 0.207 Compensation and Commitment (CC) + 0.206 Work Environment (WE) + 0.146 Organizational Culture and Communication (OCC)**

Hence, on the basis of the data analysis we can say that there is positive and significant relationship between talent management practices and employee effectiveness.

**8.4 Objective IV**

Forth objective of the present study was to identify and evaluate the obstacles faced in effective implementation of talent management practices. For the achievement of aforesaid objective, primary data was used. Data analysis was done with the help of frequency and percentage analysis, rank correlation test for agreement in multiple judgments, Mann-Whitney test and Kruskal-Walis test. The study revealed the following results:

- The study revealed that the major obstacle in the effective implementation of talent management practices is that the managers in IT Companies don’t give importance to develop their capabilities and career growth and they assigned first rank to it. Moreover, the respondents perceived that the compensation and appraisals are not up to the mark and assigned second rank to this problem. 36.9 per cent of the respondents stated that on job trainings and development programs are not adequate and provided it third rank Similarly they said that their managers do not spend enough time with them to solve their issues and assigned forth rank. Rank five is assigned to the problem i.e. poor interaction and co-operation with other departments. On the other
hand majority of the respondents revealed that managers are ignorant to categorization of employees as top, average and under performers and gave sixth rank to it. The problem which is least faced by the IT Companies was lack of skilled experts in the organization as the respondents assigned seventh and last rank to it.

- With the help of rank correlation test for agreement in multiple judgments Kanji (2006) the analysis revealed that there is correlation between the ranks assigned by the respondents hence we can conclude that the problems were not independent to each other which was evidenced by the value of $F (F_{6}; 3563; 0.05)$. The value of $F (109.0053)$ was greater than the value (2.10) seen from the statistical table.

### 8.4.1 Results of Mann-Whitney test and Kruskal-Walis test

On the basis of data analysis by using Mann-Whitney test and Kruskal-Walis test, the results of hypothesis testing are as follows:

- The opinions of males and females respondents regarding problem_1 i.e. Managers do not spend enough time with talented employees to solve their issues were the same.
- The opinions of males and females respondents regarding problem_2 i.e. On job trainings and development programs are not adequate were same.
- The opinions of males and females respondents regarding problem_3 i.e. Compensation and appraisals are not up to the mark were same.
- The opinions of males and females respondents regarding problem_4 i.e. Lack of skilled experts in the organization were same.
- The opinions of males and females respondents regarding problem_5 i.e. Managers are ignorant to categorization of employees as top, average and under performers were same.
- The opinions of males and females respondents regarding problem_6 i.e. Managers don’t give importance to develop employees capabilities and their career growth were same.
- The opinions of males and females respondents regarding problem_7 i.e. Poor interaction and co-operation with other departments were same.
- The opinions of married and unmarried respondents regarding problem_1 i.e. Managers do not spend enough time with talented employees to solve their issues were same.
- The opinions of married and unmarried respondents regarding problem_2 i.e. On job trainings and development programs are not adequate were same.
- The opinions of married and unmarried respondents regarding problem_3 i.e. Compensation and appraisals are not up to the mark were same.
- The opinions of married and unmarried respondents regarding problem_4 i.e. Lack of skilled experts in the organization were same.
- The opinions of married and unmarried respondents regarding problem_5 i.e. Managers are ignorant to categorization of employees as top, average and under performers were same.
- The opinions of married and unmarried respondents regarding problem_6 i.e. Managers don’t give importance to develop employees capabilities and their career growth were same.
- The opinions of married and unmarried respondents regarding problem_7 i.e. Poor interaction and co-operation with other departments were same.
- The opinions of respondents from different designation groups regarding problem_1 i.e. Managers do not spend enough time with talented employees to solve their issues were same.
- The opinions of respondents from different designation groups regarding problem_2 i.e. On job trainings and development programs are not adequate were same.
- The opinions of respondents from different designation groups regarding problem_3 i.e. Compensation and appraisals are not up to the mark were same.
- The opinions of respondents from different designation groups regarding problem_4 i.e. Lack of skilled experts in the organization were same.
- The opinions of respondents from different designation groups regarding problem_5 i.e. Managers are ignorant to categorization of employees as top, average and under performers were same.
- The opinions of respondents from different designation groups regarding problem_6 i.e. Managers don’t give importance to develop employees capabilities and their career growth were same.
- The opinions of respondents from different designation groups regarding problem_7 i.e. Poor interaction and co-operation with other departments were same.
- The opinions of respondents from different age groups regarding problem_1 i.e. Managers do not spend enough time with talented employees to solve their issues were not same.
• The opinions of respondents from different age groups regarding problem_2 i.e. On job trainings and development programs are not adequate were same.
• The opinions of respondents from different age groups regarding problem_3 i.e. Compensation and appraisals are not up to the mark were same.
• The opinions of respondents from different age groups regarding problem_4 i.e. Lack of skilled experts in the organization were not same.
• The opinions of respondents from different age groups regarding problem_5 i.e. Managers are ignorant to categorization of employees as top, average and under performers were same.
• The opinions of respondents from different age groups regarding problem_6 i.e. Mangers don’t give importance to develop employees capabilities and their career growth were same.
• The opinions of respondents from different age groups regarding problem_7 i.e. Poor interaction and co-operation with other departments were same.
• The opinions of respondents from different educational groups regarding problem_1 i.e. Managers do not spend enough time with talented employees to solve their issues were same.
• The opinions of respondents from different educational groups regarding problem_2 i.e. On job trainings and development programs are not adequate were same.
• The opinions of respondents from different educational groups regarding problem_3 i.e. Compensation and appraisals are not up to the mark were same.
• The opinions of respondents from different educational groups regarding problem_4 i.e. Lack of skilled experts in the organization were same.
• The opinions of respondents from different educational groups regarding problem_5 i.e. Managers are ignorant to categorization of employees as top, average and under performers were same.
• The opinions of respondents from different educational groups regarding problem_6 i.e. Mangers don’t give importance to develop employees capabilities and their career growth were same.
• The opinions of respondents from different educational groups regarding problem_7 i.e. Poor interaction and co-operation with other departments were same.
The opinions of respondents from different Annual Salary groups regarding problem_1 i.e. Managers do not spend enough time with talented employees to solve their issues were same.

The opinions of respondents from different Annual Salary groups regarding problem_2 i.e. On job trainings and development programs are not adequate were same.

The opinions of respondents from different Annual Salary groups regarding problem_3 i.e. Compensation and appraisals are not up to the mark were same.

The opinions of respondents from different Annual Salary groups regarding problem_4 i.e. Lack of skilled experts in the organization were same.

The opinions of respondents from different Annual Salary groups regarding problem_5 i.e. Managers are ignorant to categorization of employees as top, average and under performers were same.

The opinions of respondents from different Annual Salary groups regarding problem_6 i.e. Managers don’t give importance to develop employees capabilities and their career growth were same.

The opinions of respondents from different Annual Salary groups regarding problem_7 i.e. Poor interaction and co-operation with other departments were not same.

The opinions of employees with respect to total no. of years working in IT Sector regarding problem_1 i.e. Managers do not spend enough time with talented employees to solve their issues were same.

The opinions of employees with respect to total no. of years working in IT Sector regarding problem_2 i.e. On job trainings and development programs are not adequate were same.

The opinions of employees with respect to total no. of years working in IT Sector regarding problem_3 i.e. Compensation and appraisals are not up to the mark were same.

The opinions of employees with respect to total no. of years working in IT Sector regarding problem_4 i.e. Lack of skilled experts in the organization were same.

The opinions of employees with respect to total no. of years working in IT Sector regarding problem_5 i.e. Managers are ignorant to categorization of employees as top, average and under performers were same.
• The opinions of employees with respect to total no. of years working in IT Sector regarding problem_6 i.e. Managers don’t give importance to develop employees capabilities and their career growth were same.

• The opinions of employees with respect to total no. of years working in IT Sector regarding problem_7 i.e. Poor interaction and co-operation with other departments were same.

• The opinions of employees with respect to no. of years working in their present IT Company regarding problem_1 i.e. Managers do not spend enough time with talented employees to solve their issues were same.

• The opinions of employees with respect to no. of years working in their present IT Company regarding problem_2 i.e. On job trainings and development programs are not adequate were same.

• The opinions of employees with respect to no. of years working in their present IT Company regarding problem_3 i.e. Compensation and appraisals are not up to the mark were same.

• The opinions of employees with respect to no. of years working in their present IT Company regarding problem_4 i.e. Lack of skilled experts in the organization were not same.

• The opinions of employees with respect to no. of years working in their present IT Company regarding problem_5 i.e. Managers are ignorant to categorization of employees as top, average and under performers were same.

• The opinions of employees with respect to no. of years working in their present IT Company regarding problem_6 i.e. Managers don’t give importance to develop employees capabilities and their career growth were same.

• The opinions of employees with respect to no. of years working in their present IT Company regarding problem_7 i.e. Poor interaction and co-operation with other departments were same.

8.5 Conclusion

Conventional wisdom says higher is the number of the talented employees leaving the company, it is an eye opener for the management to start looking that what is going wrong within the company. Drawing insights from literature review we recognize that the rising double-digit attrition rate witnessed by the IT Sector, having a catalytic effect on the separation of talented employees in present cut throat and hyper competitive commercial
environment. On the other hand, from the economic point of view, switching of job by an employee from one organization to another is a sign of market recovery showing the presence of more lucrative opportunities for the pool of talented employees which instills the confidence in them to find better alternatives with higher compensation and benefits. Despite of the phenomenal growth, Indian IT Sector, talent attrition rate is an alarming and top burning obsession for our software companies which in turn are showing an adverse impact on the smooth functioning of their respective business activities. Indian IT Sector is completely a manpower driven sector which is highly dependent on the talented employees and management of these talented IT professionals. Inevitably, therefore, in today’s fast moving knowledge economy, talent management practices have gained a significant attention of software companies to retain the talented employees. Every company has their own talent management programme with different names and meanings too. But when we talk about the effective implementation of talent management practices, the IT Sector is facing several problems and without the good implementation talent management practices have limited impact. In the present study the researchers identified and validated five factors affecting TM practices on the basis of factor analysis i.e. learning and developmental skills, interpersonal relationship, compensation and commitment, work environment and organizational culture and communication. Furthermore, relationship between talent management practices and employee effectiveness was also found. Learning and developmental skills had positive and largest impact on employee effectiveness. For the IT companies, it is the toughest time to keep the talented employee motivated and engaged at the highest levels to minimize attrition and at the same time increase in their effectiveness too.

8.6 Objective V

Practical Suggestions

Talented employees are striving to work for strong brands of employers whereas the employers are striving to become the best to work for. In today’s hypercompetitive business environment; employees notice much more than the product itself. They look for the company’s values, social responsibilities fulfilled by them, compensation including other non-monetary benefits, transparent and clear career paths, learning and developmental skills, working environment, organizational culture, communication between superiors, subordinates and other departments, how the company treat their employees, how they value their competitive advantage and on the basis of these aforesaid things they support or reject
an employer very easily indeed. Some of practical suggestions are provided here for effective TM:

- Careful planning for a sound TM strategy that is tightly connected to the organization’s overall business strategies and needs is required for TM practices to be effective and sustainable.
- In order to pursue a leading position in the market, IT Companies have suggested to focus more on Generation Y employees as the retention rate is poor among them but that’s doesn’t mean there is no need to recognize and appreciate the Generation X and Baby boomers. Try to understand the key reasons of their attrition and after peeling the onion, the companies should focus to overcome the problem.
- Robust work assignments are another key to retention of talented employees. Turnover can result from work that is repetitive and boring. Among young engineers, boredom on the job is often the reason for leaving an organization. Boredom develops quickly for many engineers who are expected to work exclusively on spreadsheets and databases.
- For the reduction in the high costs of hiring and selecting the talented employees again and again, the IT Companies should focus on those initiatives which drive the employee’s commitment. Creation of an exciting and fun environment should be there in which employees have to work. Offering the sabbatical with flexible working hours will keep them enthusiastic and that leads to excellent work as well. Working conditions should act like glue to the IT Professionals.
- The companies should try to understand the mindset of their employees. Learn while the employee earn policy should be adopted through better learning and developmental skills programmes. Better the developmental programmes, better the quality of services is said to be Piansoongnern & Anurit (2010). These learning and developmental programmes are not only for the talented employees working on lynchpin positions but also for the development of the average talented employees. Although these skills developmental programmes are for long term but a time to time revision is also required.
- The IT Companies should focus on the job security of their employee
- Majority of companies do provide opportunities for growth still fail to leverage due to absence of proper communication on this front. It is often said that employees don’t leave organizations; they leave people. This is a common reason for resignations.

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Friction or frustration can result from conflicting communication styles or misunderstandings between managers and employees or among coworkers. There should be clear and concise communication in the Company. The concerned managers and employees both should be aware about their expectations from each other.

- The Company should provide the flexibility regarding location as sometimes the IT Professionals change their company due to location reasons.

- Myriad of career opportunities help the talented employees to grow in the organization. There are different types of career opportunities which are available to any time to the employees in the organization i.e. online learning programmes, webcasts, guide etc. The talented employees are intending to visualize a career path for them within the organization or they will leave the organization without any kind of hesitation.

- Identification and Selection of a leader is an onerous job for a company as there is a notion that talented employees want to work their own but not all the time. Leaders stimulate the employees and evoke passion for work. They also provide feedback about their performances. They are expected to have a good understanding about the employees, clients and the internal and external business environment. A leader should not be as reluctant as to lead the talented employees to languish or switch to another leader elsewhere.

- Good hikes in compensation combined with non-monetary awards after the assessment of their performance by using different assessment instruments, would help the IT Companies to retain the talented employees and bring down the attrition rate. The popular assumption should be followed i.e. pay them more and they will stay. It will also motivate the employees to perform in a better way by improving their morale Lockwood (2006).

- Managers should recognize the critical capabilities of talented employees and differentiate them as top, middle and lower level performers to encourage, engage and retain them in a better way. Lack of correct recognition of the capabilities and potential abilities leads to increase in the probability of immigration of talented employees from the organization.

- In this global quest for talented employees, a more focused approach should be followed for the cultivation and management of individual talent. There is dire need to
find out effective solution by the IT Companies context to the different obstacles faced in the implementation of talent management practices.

- For the IT Companies, it is imperative to cultivate clincher links with the training and educational institutions to nail down a constant flow of talented employees that are clearly lined up to the specific requirements of the organization.
- IT Companies should focus on the creation of a sense of belongingness within the employees towards the organization which may leads to organizational commitment.
- The IT Companies should initiate some essential hurdles on talented employees in switching their companies which would offer the companies an environment to control the attrition rate. At the end we can conclude that the IT Companies should learn the art of handling the situations as-and when required rather than being victims.

8.7 Future Research Prospects

In the present study although the researchers has identified five factors affecting talent management practices and developed a model with the help of CFA, there is scope for further research on talent management related facets in some of the areas:

- Research studies context to talent management in India is not on a large scale; further studies may look into this area for a better understanding of all related theoretical and technical underpinnings.
- In present study, an initial attempt was made to find out the factors affecting talent management but it excluded the external factors like clients demand, governmental policies, mergers and acquisitions etc.
- Since, present study was confined to employees working in IT Companies of National Capital Resign of India; the results can be further validated by expanding the area which may help in the generalization too.
- This thesis includes the fusion of talent management practices in IT Companies. Study can also carried forward in other sectors for generalization purpose.
- Although the same size is representing the population adequately, still there is scope for increase in it in future researches for more accurate, reliable and generalized results.