The study aimed at examining competence management as a tool to manage the talent in the IT organizations. Primary data relating to the employees and senior managers has been collected to throw light on the employee and organizational perspective. Demographic profile like the departments, designation, educational qualification, gender and work experience of the sampled respondents – employees and senior managers – along with the awareness on the competence management practices, the different HR functions that are competence based, implementation of competencies at the different levels in the organizations and the factors contributing talent management and the factors not contributing to talent management practices etc. were collected using specifically designed schedules. Data were treated statistically, analyzed and presented in a descriptive way using graphs/tables wherever found necessary. Broad conclusions and recommendations were arrived at based on the analysis and inferences.

I. Demographic Profile of the Sampled Respondents

The Demographic profile of the sampled respondents was collected to elicit the information on the department, designation, education, gender distribution and work experience from both the senior managers and the employees separately.

1. Department

**Senior Managers** – The study concludes that a majority of the managers were attached to different *projects*, while a few of them were from *strategic* department, followed by the *HR department*.

**Employees** - Similar participation is seen with the employees. Majority of the respondents were from *projects* department, followed by respondents from *process* departments and very few from the *marketing and finance* departments. This reflects that the IT organizations work in project structures. It is common knowledge that...
organizational existence is basically on its capacity to get the projects and deliver them on time to the clients.

2. Designation

**Senior Managers** - The study indicates that majority of the respondents belong to designations like Senior Manager, Senior Engineer, Deputy General Manager, etc., Very few of the respondents were program leads followed by team leads.

**Employees** - Nearly similar response is seen with the employees where majority of the respondents were programmers / software engineers, quite a few of them were business development executives followed by analyst and team leads. This is a reflection of the changing dimensions of business and the changing roles of the IT organizations in the era of globalization.

3. Educational Qualifications

**Senior Managers** - The study indicates that a majority of the respondents were postgraduates and were from professional courses followed by graduates.

**Employees** - The same trend is seen with employees where a majority of the respondents were postgraduates followed by graduates. This reflects the fact that immediately after their education, they took up employment in the IT sector because of the vast number of opportunities in the post globalised era. The IT organizations provided a good scope for the employees with interest to pursue higher studies in the IT organizations. The organizations have inculcated the learning dimension among the employees by facilitating them to advance their educational degrees either in the field of management or their specialized field so as to keep them in the learning mode, which is benefits, both the employees and organizations as well.

4. Gender

**Senior Managers** - The study indicates that a majority of the respondents were men and very few were women.
Employees - Similar trend is seen with the respondents of employees, where majority of the respondents were *men* and very few of the respondents were *women*. The percentage of women employed in the organization represents a small group, which is highly skewed in favor of men. This reflects the overall employment scenario in the organizations where the representation of women is less and for the promotions to senior positions is all the more less. Another reason that can be attributed is that some women are not interested to work in shifts because of cultural and social. This thus is carried over in senior positions too.

5. Experience

Senior Managers – The study indicates that majority of the managers had experience of 6 to 10 years. Very few were experienced with more than 10 years to 20 years of experience.

Employees - It was observed that a majority of them had an experience of 1-5 years (78.6%) followed by 6-10 years of experience (15.9%).

In summary, the study revealed that the work is project based both at the senior manager and the employee level. Organizational success is measured in terms of the projects that the organization is able to attract and execute. Further, the advantages of the project structure also make every organization to resort to the project mode. The study confirms that the IT sector is engendered. The social and cultural issues no doubt contribute to this fact and hence organizational initiatives in terms of affirmative action and encouraging women to apply should take care of the gender issue in the IT sector. A beginning however is seen with more and more professional courses / colleges exclusively for women are providing opportunities for their entry into the sector. Organizations have also recognized the importance of improving the educational qualifications of the employees at all levels and hence have several initiatives towards the same. Sponsoring loyal employees / managers in reputed institutions in India and abroad is a common priority for the sector both in terms of the professional and general education. Other initiatives, which supplement these formal programs, are the training and self-learning through the E-learning facility. Thus, qualification wise and knowledge wise the Indian IT sector is
making rapid strides in the direction, which will ultimately yield the result in the years to come.

II. Awareness

**Senior Managers** - It was encouraging to note that a majority of them being fairly senior managers, were aware of the competency management as a concept and practice in their respective organizations. Managers were aware of competencies as in use in *recruitment followed by training and selection* in that order.

**Employees** – The same trend continued with the employee’s awareness on the concept and practice of competence management in the organizations. Employees were aware of competencies used in *recruitment followed by training and selection* in that order. The study also revealed that employees were aware of the organizational practice of listing and selecting the hires through competency management practice.

Organizations have been producing and implementing *competency like criteria* in the last one decade. Recently, a whole industry has developed around competencies and their applications, as is evidenced from the scholarly interest, active consultants working on frameworks, proliferation of articles in journals and the organizational experiments / initiatives for the use of competencies. This interest was seen in the design of specific applications – for example one set of criteria to be followed in recruitment, selection, training needs etc separately. The study confirms this practice in the organizations. This necessitates the use of and the design and development of *competency frameworks, which* provide an opportunity to have one set of criteria, which can be, applied across the full range of HR processes. This common criterion will have a common language for describing effectiveness in the organization but will also provide an opportunity to achieve consistency while assessing performance.

It is also an organizational practice where organizations include tasks, outputs and behaviors in their description of competence / competency and often blend them together and use it interchangeably. However, in practice it is far more beneficial for descriptions to be behavior based rather than just task or output based. Thus, organizations also need
to keep this in view while designing competency frameworks. Clarity within the actual
definition of a competency and competency framework is thus essential. Competencies
can be applied to a range of people management activities and they can enhance their
effectiveness, influence its ease of use and its longevity (Whiddett, 2005).

III. Application of Competencies

Senior Managers – It could be said that the application of competencies in the
organizations is at the tactical level followed by the middle level. Moreover,
according to the senior managers, the line managers and the department heads
identify the competencies. This is in conformity with the prevalent practices in IT
organizations. As they have a thorough knowledge of the work and also know the
employee capabilities in totality, they are the right people to deal with competencies.
All the same, management support plays an important role in the application of
competencies in the organizations.

Employees - Slightly different opinion was seen in the responses of the employees.
With regard to the application of competencies in the organizations, it is at the middle
management level followed by the senior management level. Moreover, the
employees felt that the line managers identified the competencies. This is in
conformity with the prevalent practices in IT organizations.

Earlier the specialists devised and used the competency like criteria but in the modern
organizational processes, which are highly competitive, the line manager is involved in
those processes. Thus, the need for designing a competency framework and involving the
line managers in the process is the need of the hour. With the recent changes in the HR
functions and organizational practices this assumes added significance so that they are
not only aware but are involved in the process which makes its application much easier in
the organization.

IV. Perceptions on the functions and practices of competence management

a) Competency based HR function-
Senior Managers - Managerial perceptions on the competency based HR functions were as per the organizational practice. The factor analysis revealed that recruitment, training followed by performance appraisal was perceived to be the important HR functions, which are competency based.

Employees – Similar trend was observed with the employee perception on the competency based HR functions in the organizations. The factor analysis revealed that recruitment followed by HR Planning and performance appraisal was perceived to be the important HR functions, which are competence based. Competency based recruitment, competency based selection are terms which are heard in the contemporary organizations more frequently than never before. The contribution of competencies in recruitment and selection is providing set criteria in the selection process. They make important contributions at most stages of selection. Identifying the competencies or competency level which are critical for the job, identifying desirable competencies and identifying detailed examples of the generic behavioral indicators are the three areas that can be focused upon to improve the contribution of competencies to make selection more meaningful.

Similarly, identifying recruitment critical competencies for a job or a role also can be done in organizations. Once these competencies are identified, the behavioral indicators can be developed. Thus, competency based recruitment and competency based selection could be used by organizations. Contemporary organizations can also go a step further where competencies could also be used to attract better-suited applicants and screening the unsuitable applicants.

Training is usually undertaken because of the lack of technical ability or behavioral insufficiency in the organization. Thus, training is usually focused on competency based work outputs and specific behaviors. Moreover, it is done with a specific purpose and thoroughly focused. A competency is a result of the skillful application of several techniques in combination with particular attitudes, values, abilities and knowledge. Thus, it can be used in identifying the training and development needs, in the design of training and development activities, the selection of training and the evaluation of training activities.
Competencies can make significant contribution to establish levels of performance, identifying needs for performance improvement and performance outcome. Once the competencies have been identified, information on the ratings, comments on performance and examples of performance can be collected. Thus, competencies provide a useful focus for obtaining information on behavioral performance.

b) Role of Competencies

Senior Managers - The factor analysis indicated that the role of competencies in the organizations contributed in process development - competition/confrontation leads to development, hiring competent staff, encouraging creativity and innovation; individual development - performance appraisals improves employee development, development of capabilities; and organizational development - openness to change and policies as a whole.

Employees - A slight difference of opinion is seen with regard to the role of competencies by the respondents. Only two factors emerged in the perception of employees. The role of competencies contributed in individual – developing competencies and performance appraisals and organizational development – openness to change and policies.

Since the study has provided insights into the role of competencies into individual and organizational development, it is clear that competencies can be applied to all people management activities. It is essential that organizations invest time and effort in designing a complete process – one that involves all the factors that emerged from the study. Because organizations continued to focus on people as key assets within an organization, competencies are here to stay in one form or the other.

c) Talent management

Senior Managers - The role of competencies in talent management highlighted talent development – encouraging creativity and innovation, job related training programs and flexibility – as the important factors for managing talent.
Employees - The role of competencies in talent management *talent acquisition* - behavior based interviews and hiring competent staff in the employee perspective.

It is but natural for the organizations to spend time and effort on developing the employee competence for both the individual and organizational benefit. It is all the more so in the contemporary context as training has emerged a strategic function with developmental orientation. On the contrary, from an employee perspective, talent acquisition assumes significance as the individual employees would focus on their skill sets / competencies to get into an organization of their choice and the fit between the requirement and their competencies. From their perspective they would work towards the best match where individuals can show that they can produce the output that are required in the job in the way that the organization requires. Competencies thus, have a role to play in achieving this fit.

V. Talent Management

1. Enabling factors

The senior managers and the employees were asked to indicate the enabling factors and the disabling factors for talent management. The senior managers indicated the *cultural factor* - openness to innovation, freedom / stimulation and policies as the important *enabling factors* for managing the talent of the organizations.

There was unanimity of opinion where the employees also agreed with the senior managers on the enabling factors. The employee’s focus on the organizational culture as an important determinant and an enabler for performance indicates not only a competitive environment but also a competitive work culture with challenging assignments. This not only leads to talent management but also competencies, which need to be acquired by the individuals at their individual level with organizational initiatives as enablers in the process.

2. Disabbling factors

The senior managers revealed a number of organizational and the support factors as the important *disabling factors* of talent management in the organizations. The
Manipulative HR policies, out of turn increments, non-transparent procedures were the organizational factors and lack of management support and poor work relations are the support factors which were major concerns in the area of managing the talent in the organizations.

The same opinion was expressed by the employees on the disabling factors of talent management. The factors and the issues raised by both the senior managers and the employee's reveals the need for an organization culture for talent management both from the individual and management perspective.

Competency management can make a significant contribution in managing talent. Organizational focus on people management processes in the contemporary organizations demand well designed competency frameworks for taking care of organizational issues like culture, change, values, organizational benchmarks and providing equal opportunities to the talented. It is also important that organizations develop and employ processes to ensure that competencies are embedded into appropriate applications and that they work in organizations for individual and organizational benefit. Competencies can thus make a significant contribution to all key people management processes. However, a competency framework provides the direction to a set of criteria that helps in managing talent, ensure that these could be applied in the HR functions for better human resource management.

**Recommendations** –

1) Competencies are now a feature of many people management policies and practices. Organizations have been producing and implementing competencies or competency like criteria in the last one decade, with the result a whole industry has developed around competencies in recent times. This as such has ensured the awareness of competencies in general in the organizations, but the applications were limited to just two or three HR functions which needs to be corrected. Thus, it is recommended that competencies form the central focus of all human resource management functions.

2) Organizational practice evidences specific applications for specific HR functions. For example there is one set of criteria for selection, another set of criteria for
training and so on for the other HR function. A competency framework could be designed, which promises an opportunity to have one set of criteria that could be applied across the full range of human resource management processes. The framework provides a common language with a high level of consistency in its application. Thus, a well-designed competency framework helps in the key managerial processes of information gathering, evaluation, assessment and decision making (Whiddett and Holyforde, 2005).

3) It is also true that usually the specialist – selection experts, job evaluation specialist – devised and used competency criteria. This practice had the danger of the criteria specifically used for their specific applications. Contemporary organizations have brought the line managers into the centre stage of the organizations and hence it is recommended that the line managers be included in the designing of competency framework as they are the best to deal with their employees and their competencies.

4) Organizations and competency experts seem to prefer their own definitions of competencies. These definitions indicate that a competency is made up of many things – traits, skills, motives etc., yet it is seen rarely in the way people behave in organizations. Thus, competence and competency needs to be distinguished while preparing the competency framework. While ability based on work tasks or job outputs could be referred to as competence, an ability based on behavior could be referred to as a competency. The practice of blending them together does not evidence the importance of the behaviors, which have assumed much more importance in the contemporary organizational context.

5) Organizations evidence the use of competencies in very few HR functions. The most common function has been recruitment and selection, training and development and performance appraisal. Use of the term competency based selection emphasizes the importance of competencies in selection. Selection
processes are drifting towards a primary focus on competencies. Many sophisticated selection processes including assessment centers now assess only competencies. Thus, in addition to selection exercises and selection processes, competency-based selection should help organizations in assessing the individual skills and competencies. Similarly the training and development activity ensures that the employees are trained to meet both current and future needs. Training is about the teaching of techniques. Development is about the practice of those techniques in a focused manner resulting in skill and expertise. Competency frameworks can assist in many of the key stages of training and development – from identifying the need of designing a event, measuring the success of the event and also progress of individuals through structured programs. Thus, competency based programs help the organizations in achieving success. Competency based performance reviews provide a useful focus for obtaining information on performance both at the task and behavior. Behavioral performance or competency information has assumed significance in the current organizational context. Thus, competency-based performance in the competency framework provides the needed focus for the organization.

6) Talent management has assumed significance in the contemporary organizations in so much so that organizations have created specific structures, a function and resources to manage the war of talent. The post-globalized era is characterized by a global talent pool, which all the more complicates the issue of talent management. Competency frameworks can provide the necessary base for talent acquisition, talent development and talent retention. Competencies as a common set of criteria along side the other factors can help organizations managing talent in the effective way. Technology and its applications should aid and assist in this process which is likely to become more common in the years to come. Knowledge workers in an IT setting should find this framework much more beneficial in the contemporary knowledge economy.
**Implications and Directions for Future Research**

1. This study is exploratory in nature and aimed at understanding competency management as a tool to manage talent in select Information Technology sector in the cities of Hyderabad, Chennai, Bangalore and Pune. The study has contributed in arriving at a conceptual framework to guide the empirical investigation by incorporating the major constructs previously identified in the literature.

2. The study has found some interesting dimensions of the competence concept, practice in the organizations, of the select Information Technology sector organizations. Although the study focused on a few information technology sector organizations, the research has shown a broad overview of the competence as concept, practice, application, results and the issues towards the competence management.

3. In addition to understanding the Competency and Talent management concept, the study has explored how competencies can aid and assist talent management in an IT setting. Theoretically, it contributed to linking these two concepts to highlight the outcomes achieved in the process. The awareness and application of competencies in HR functions and brought to light that these applications have been limited to a few HR functions.

4. However, some important questions are unanswered. This study is in one cultural context wherein the focus was exclusively on the IT sector in India only, where there are not many differences in the structure and in the culture. Cross-cultural studies and cross-organizational studies could be explored in future researches in the area of competency management and talent management.

5. Future researches can contribute to models of competency frameworks that could be universally applicable to all functions and organizations in general. Researchers can address issues relating to competency management and its applications in such a way that these frameworks do not end up in passing fads but key issues be researched on why a competency framework is needed, its
usage, its contribution, the users etc. so that the confusion and ambiguity that is prevailing as on now can be clarified.

6. Besides, different competence based methods and models for managing the talent with varied levels of knowledge, skills can be explored by the researchers as each method has its own set of advantages and disadvantages to find out which functions need to be competence based for managing the employees, imparting skills to different sets of people etc. Such experimentation on the issue of application of competencies for managing the talent and development of the talent can throw new insights and information, which can enrich the theory and practice of talent management and competency management as well in the final analysis.

Thus, it can be stated that the competence management programs despite their inadequacies and flaws have occupied primary place of importance, in the Indian organizations.