Chapter 1
Introduction to Research Study

1.1. Introduction to the Research Study

The key factor of success in organizations today and in the future are its Talent. Having people with exceptional knowledge, skills, attitude and motivation can make a substantial difference to an organization in terms of its growth and sustenance. Strategically managing human resources is attributed to Talent Management, to increase business value and make possible for companies and organizations to reach their goals. The word Talent Management is a keyword perhaps in today’s fluid economy. Business constitutes processes, capital, machines and technology and that can only be harnessed by people through the decisions made by them. And hence aligning Human Resources strategic goals and culture with the organization seems vital. Capitalizing on a company’s human resources, integrating it and leveraging their capabilities for the achievement of the overall strategy adds to the competitive advantage of the organization.

Developing and nurturing talent is the main aim of talent management. Large sums of money in the budget of the organization is allocated to this aim of Talent management. Despite this, in many organizations, many positions remain vacant and that puts a considerable limitation on their potential to grow and indirectly reflects on business performance.

The tools and systems that allow a company to put the right people with the right skills in the right place at the right time and the policies and processes that are aligned to this, is called as acquisition. The word human capital refers to the different
attitude with which people are looked at in organizations today. They have been shifted from the cost to the asset side of the balance sheet. People are assets to be invested in, and by developing them, maximization of the returns can happen.

“Talent Management, as the name itself suggests is managing the ability, competency and power of employees within an organization”. Talent management does not limit itself to only recruiting the perfect candidate, but also continues into discovering, the hidden and unusual talent of the employees. Furthest to this, employees have to be developed and nurtured to obtain the anticipated results. The bigger challenge for organizations lies in not only acquiring the best of talent, but also developing them to match the culture of the organization and extracting the best out of them. Retaining them becomes an even tougher task.

In the knowledge economy of today, the highly skilled and talented workers are sought after. Tying talent needs to the future direction of the company ensures current and future trends of that company. Organizations with people who have critical employable skills are the ones which have a sustainable competitive advantage. Tackling talent issues in an inclusive workplace in this globalized economy is a task.

1.2. The Indian IT Industry

The present research study has been conducted in the Indian IT industry in Bangalore. This was an ideal setting for the study as knowledge workers work here and attrition levels in the IT industry is highest. Talent management and retention initiatives would benefit this industry. Bangalore was chosen as it houses the maximum number of IT companies in the country and on account of this, Bangalore is also known as the silicon valley of India.
Indian Information Technology industry is on a growth path in the country. The brand equity of the Indian IT industry is very valuable in the global markets. The Indian IT Industry comprises of Information Technology industry, software industry and information technology enabled services (ITES), which includes business process outsourcing (BPO) industry and now E commerce.

1.2.1. Origin and Growth

Indian IT Industry is considered as a forerunner in software development and a preferred destination for IT-enabled services. “The origin of the Indian IT industry can be traced to the year 1974. In the year 1974, the mainframe manufacturer, Burroughs asked its India sales agent, Tata Consultancy Services (TCS) to export programmers for installing system software for a U.S. client. The conditions prevalent during the origin of this industry were not very favorable. Government policy towards private enterprises was not conducive. The Indian IT Industry was begun by Bombay-based conglomerates who entered the business by providing programmers to global IT firms located overseas. During the 70’s the Indian economy was state-controlled. Import tariffs were high, almost 135% on hardware and 100% on software. Exporters were not eligible for bank finance. In 1984 Rajiv Gandhi became Prime Minister and the Government policy towards IT sector changed. The New Computer Policy (NCP-1984) consisted of a package of reduced import tariffs on hardware and software which reduced to 60 %”. (Source NASSCOM).

The economic reforms of 1991 in India, supported wholly-owned subsidiaries. IT competencies are defined by companies such as Tata Consultancy Services (TCS), Wipro, Infosys, HCL.
Indian IT Industry's development and contribution to the world's information technology sector is of highest reputation. Metro Cities like Bangalore, Mumbai, Delhi, Chennai and Hyderabad have become favorite destinations for all the big banners like HSBC, Dell, Microsoft, GE and Hewlett Packard. The rapid urbanization of Indian cities and advancement in technical education has given an impetus to cities which have become a hub for IT companies. On account of this growth the government has improved the infrastructural facilities of cities. The multinational companies have started investing in India as it is an emerging economy and also on account of the support by the government. The growth rate of the Indian IT industry is on an upward trend and has not slipped below 50% since 1991, which is a sign of growth for the industry.

According to the Indian daily, Indian Mirror, 'Indian Information Technology industry contributes 5.9% of the country's GDP while providing employment to a significant number of its tertiary sector workforce. The annual operations is projected to grow up to 225 billion dollars by the year 2020. The most prominent IT hub is the IT capital of the country, Bangalore and the other up-and-coming destinations are Chennai, Hyderabad, Mumbai, Pune, NCR, Jaipur and Kolkata. India’s competence in the IT sector has ensured and empowered the country to form long lasting bonds with developing western countries”.

According to India’s National Knowledge Commission, “India would be involved in a knowledge revolution which can be seen by the dramatic advances and changes in the field of Information and Technology. IT jobs include computer programming, network administration, computer engineering, web development, technical support, and many other related occupations. It therefore provides job avenues for those who have acquired the right qualifications for it. In the beginning of
this millennium, National Association of Software and Services Companies (NASSCOM) made an estimation that India would require 10,00,000 trained software professionals for the coming years. The present availability of such skilled people is only 5% of the required amount. Employment in this sector is immense. India’s Information Technology (IT) lobby made its most optimistic forecast for software exports in three years, estimating a 13-15% increase in the next fiscal year with top clients such as General Electric Co. (GE) and Citigroup Inc. NASSCOM has said that software exports in 2014-15 would rise to as much as $99 billion, from about $86 billion estimated for this fiscal year ending March. Including the domestic market, the Indian IT industry is currently pegged at $118 billion. NASSCOM’s guidance of the highest forecast at a 16-18% growth in software exports for 2011-12. Actual growth in software exports in 2011-12 was 16.5%, according to NASSCOM data. The latest forecast will reassure investors and bodes well for the Indian software services exports sector, which recorded its strongest performance in 2013-14 after more than two years, with Infosys and US-based Cognizant Technology Solutions Corp, enjoying a healthy double-digit growth. NASSCOM said the Indian IT industry would add incremental revenues of $13-14 billion in 2014-15. Incremental revenue is a measure of market share growth that has evolved as the new benchmark for the IT sector.”
NASSCOM recently projected that the Indian IT industry would grow to about $300 billion by 2020, and created different verticals that would focus on specific areas such as the domestic IT market, software products and e-commerce. *(Source: NASSCOM)*.
“After liberalization of the Indian economy, the impact of restructuring, economic transition to an open market, and increased competition from internal and external sources has put pressure on all functions of organizations” (Bhatnagar, 2007; Budhwar et al., 2006). There has been evidence of a general need among the managerial cadre to build capabilities, resources, competencies, strategies, and macro as well as micro HRM activities (Budhwar et al., 2006; Bhatnagar and Sharma, 2005). “Further, the Indian IT-ITES industry is on a high momentum path. Rampant growth, however, has come with its own set of challenges. Chief among them relates to skilled manpower resources. Not only does India need to sustain its vast pool of specialized IT-ITES talent, but it also has to ensure that it remains industry-relevant and rightly skilled” Simhan, (2006).
1.3. Global IT-BPM Industry

Changing customer expectation, changes in technology, globalization, digitization and regulatory changes across the globe have impacted the IT BPM sectors to a large extent.

The IT-BPM spend was 2.3 trillion dollars, in 2013, worldwide. This attributed to a growth of 4.6%. USD 1.25 trillion, which accounts to 55% of the total spend constituted IT, BPM services and software products. 45% of the balance which amounted to USD 1 trillion came from hardware spend. APAC had the highest growth of 5.1% on account of growth in BPM services. The different segments of the IT industry, which are software development segments have > 16 percent share followed by E-commerce -9.5% share and hardware, 9% share. FY 2015 saw a growth of 12.3 percent amounting to USD 98 billion. Research and development is growing at 13.2%. 12.6% is the expected growth rate of IT services. The application of analytics across the entire value chain is another observation in the IT industry. Omni channel presence and greater automation are the other two aspects to be considered. Advancement to a SMAC enabled systems, more importance to ERP, CRM and mobility from manufacturing segment are the growth drivers of the IT industry.

Advanced technology adoption and economic recovery has led to increase in exports to the US which is the largest market. Digital, analytics, ERP contributes to increasing efficiency. Customer experience is getting to be an important factor and therefore, manufacturing, and retail remain robust.

A differentiated growth track has been followed by the industry. The shift has been from the linear to nonlinear models. Both inward and outward looking strategies are considered here. Product and IP development is being focused on and it is further strengthened by vertical contributions. Expertise established in specialized verticals is empowering IT-BPM firms to deliver innovative products and services to customers that in turn facilitates entry into new markets/ geographies, access to
customers, etc. Scaling up of capabilities around SMAC and other emerging technologies is permitting it to expand services to existing customers and also attract new customers. (Source-NASSCOM)

![Market size of the IT industry in India](image)

**Figure 1.3:** Market size of the IT industry in India

### 1.4. Domestic Market

Post the 2014 elections, India’s economy is slowly stabilizing. The supply side has opportunities especially in the globalized world. The competition is strong and the Indian service companies have geared up. Digital India, make in India and the start-up culture has not only created a vision of technology enabled India, but also has increased the business confidence of entrepreneurs. The government has several policies and agendas which encourage a technology driven India.

India is on its way to becoming a digitaleconomy. It has leapfrogged the technology maturity curve. According to NASSCOM >75 per cent of the population is mobile enabled, 278 million internet users (overtaking the US) and a rapidly multiplying online population, and a USD 14 billion Ecommerce market, which is growing at an average of >30 per cent.
The current Indian Government has started the Digital India campaign. This constitutes USD 20 billion investment covering mobile connectivity throughout the country, re-engineering of government process via technology and enabling e-delivery of citizen services. “Overall business confidence is picking up with the new government in place and its clear policies and economic growth agendas particularly – Digital India and Make in India, which have helped drive a vision of a technology enabled India. USD 20 billion investments covering mobile connectivity throughout the country, re-engineering of government process via technology and enabling e-delivery of citizen services forms the Digital India campaign which is a good push by the Indian government. The domestic IT-BPM market is on a growth track and is approaching the USD 50 billion mark. The growth rate is supposed to be 14% equating to about USD 48 billion. This fast growth is attributed to the growth in the E commerce segment. There is an upward trend in the demand for SI and IT consulting. The return of focus is on infrastructure projects, driven by SMAC – cloud enablement and developing applications for mobile phones. IT services (>USD 13 billion) and software products (>USD 4 billion) segments are the next fast growing segment at 10 per cent and 12 per cent respectively. SMEs are choosing datacentre services to save on cost. India is a large user of software products and this accounts to (~1.2 billion). Also, with 937 million mobile subscribers, 278 million internet users, an USD 14 billion E Commerce market, and an economic growth rate that is soon expected to surpass that of China, “India is set to leapfrog into the digital world. “The governments Digital India, skill India, Make in India policies are expected to take India sooner into the connected digital world”. (Source- NASSCOM)

The highest volume of employable and diverse talent in the world is housed by the Indian subcontinent. India is expected to churn out nearly 5.8 million graduates
and postgraduates in FY2015, out of which 1.5 million people form a skilled, industry ready, equipped to hire pool. The IT BPM industry is a cash cow and has emerged in size, scale, domain know how and focussed in targeting customers’ and businesses’ demands. The need for local talent and language skills has to be promoted for business transformation via its global delivery chain. Approximately there are 640 ODC’s across more than 78 countries looking for local talent, with cultural compatibility with clients.

As the saying, nothing is constant but change, organizations have to restructure themselves with better decision making abilities. This makes them more agile and deft to align themselves to the start-up culture and ecosystem. Tying up with smaller firms to build partnerships aids in offering innovative solutions. The variety and scale on offer in India again allows for multiple collaborative models to exist. This exceptional range gives abundant prospects to providers to choose their organisation size, business models to adopt, and what kind of collaborations to create.

1.5. Talent and Talent Management

Understanding talent

The following definitions throw light on the various ways in which Talent and Talent management can be understood.

Williams (2000)“Talented people are those who do the following: Regularly demonstrate exceptional ability and achievement either over a range of activities and situations, or within a specialized and narrow field of expertise; consistently indicate high competence in areas of activity that strongly suggest transferable, comparable ability in situations where they have yet to be tested and proved to be highly effective”.
Michaels et al (2001) Define talent very broadly as follows; “A code for the most effective leaders and managers at all levels who can help a company fulfill its aspirations and drive its performance, managerial talent is some combination of a sharp strategic mind, leadership ability, emotional maturity, communications skills, the ability to attract and inspire other talented people, entrepreneurial instincts, functional skills, and the ability to deliver results”.

Morton (2004) Defines talent as an “individual who has the capability to make a significant difference to the current and future performance of the company”.

Tansley (2011) State that talent can be considered “as a complex combination of employees’ skills, knowledge, cognitive ability and potential”

Goffee and Jones (2007) Say that talent is “a handful of employees’ ideas, Knowledge and skills which give them the potential to produce the disproportionate value from the resource they have available from them”.

Ready and Conger (2007) define talent as “a group of employees who have above average knowledge and skill, and are ready to be promoted to executive positions and thus are the best people in an organization”.

From the above explanations of what Talent is, the following inferences can be arrived at; first, that Talent is an inherent characteristic of people. This could be recurring thoughts, behavior and feelings. Having talent leads to making a difference to the organization, in terms of contributing to better performance in various ways. Maximizing Talent pushes people to perform in their respective jobs.

Second, talent is defined as people who are key contributors, the team leader and the individual who has a unique capability or makes particular contributions to an
organization. On the one hand, a group of employees having above average educational qualification, skill and performance, entitled to be promoted to executive positions. (Piansoongnern, 2010)

**Dimensions of Talent Management**

Concepts and strategies have to be integrated and organizations cannot think of siloing talent management. TM has to be nurtured and grown in a holistic manner. This happens only when all the contexts are combined together under the umbrella of talent management.

There is no single consistent or concise definition of talent management because the terms “talent management strategy”, “succession planning” and “human resource planning” are often used interchangeably (Aston & Morton, 2005; Lewis & Heckman, 2006)

Lewis and Heckman (2006) identify three perspectives on the concept of talent management. **First**, talent management is merely a substitute for the label for human resource management. In this perspective, empirical studies often focus on some particular HR practices such as recruitment and selection, leadership development and succession planning. The contribution of this literature is relatively limited in the stream of the strategic HR literature, as it largely amounts to a rebranding of human resource management (HRM)**.

Second, “talent management is still the rebranding of HRM, but emphasizes on the development of talent pools focusing on projecting employee/staffing needs and managing the progression of employees through positions” (Lewis & Heckman, 2006)
Table 1.1: Talent Management Dimensions

<table>
<thead>
<tr>
<th>Talent Management dimensions</th>
<th>Description</th>
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<tbody>
<tr>
<td>Develop Strategy</td>
<td>Establishing the optimal long-term strategy for attracting, developing, connecting and deploying the workforce.</td>
</tr>
<tr>
<td>Attract and Retain</td>
<td>Sourcing, recruiting and holding onto the appropriate skills and capabilities, according to business needs.</td>
</tr>
<tr>
<td>Motivate and Develop</td>
<td>Verifying that people's capabilities are understood and developed to match business requirements, while also meeting people's needs for motivation, development and job satisfaction.</td>
</tr>
<tr>
<td>Deploy and Manage</td>
<td>Providing effective resource deployment, scheduling and work management that matches skills and experience with organizational needs.</td>
</tr>
<tr>
<td>Connect and Enable</td>
<td>Identifying individuals with relevant skills, collaborating and sharing knowledge, and working effectively in virtual settings.</td>
</tr>
<tr>
<td>Transform and Sustain</td>
<td>Achieving clear, measurable and sustainable change within the organization, while maintaining the day-to-day continuity of operations.</td>
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*Source: IBM Institute for Business Value/Human Capital Institute*

The above table can also represent the functions of Talent management. The last perspective of talent management “focuses on managing talent according to performance and it is viewed, as an undifferentiated good that emerges from humanistic and demographic perceptions” (Buckingham & Vosburgh, 2001)

*Understanding Talent Management*

*Sloan, Hazucha, & Van Katwyk (2003)* “Managing leadership talent strategically, to put the right person in the right place at the right time”

*Pascal (2004)* “Talent management encompasses managing the supply, demand, and flow of talent through the human capital engine”
Ashton & Morton (2005) “TM is a strategic and holistic approach to both HR and business planning or a new route to organizational effectiveness. This improves the performance and the potential of people—the talent—who can make a measurable difference to the organization now and in future. And it aspires to yield enhanced performance among all levels in the workforce, thus allowing everyone to reach his/her potential, no matter what that might be”

Duttagupta (2005) “In the broadest possible terms, TM is the strategic management of the flow of talent through an organization. Its purpose is to assure that a supply of talent is available to align the right people with the right jobs at the right time based on strategic business objectives”

Warren (2006) “In its broadest sense, the term can be seen as the identification, development, engagement, retention and deployment of talent, although it is often used more narrowly to describe the short- and longer-term resourcing of senior executives and high performers”

Jerusalim & Hausdorf (2007) “High potential identification and development (also known as talent management) refers to the process by which an organization identifies and develops employees who are potentially able to move into leadership roles sometime in the future”

Cappelli (2008) “At its heart, talent management is simply a matter of anticipating the need for human capital and setting out a plan to meet it”

Collings & Mellahi (2009) “We define strategic talent management as activities and processes that involve the systematic identification of key positions which differentially contribute to the organization's sustainable competitive advantage, the
development of a talent pool of high potentials and high-performing incumbents to fill these roles, and the development of a differentiated human resource architecture to facilitate filling these positions with competent incumbents and to ensure their continued commitment to the organization”

Silzer & Dowel (2010) “Talent management is an integrated set of processes, programs, and cultural norms in an organization designed and implemented to attract, develop, deploy, and retain talent to achieve strategic objectives and meet future business needs”

One of the most important and essential constituents of a high performance business is Talent, an organization’s human resources. Employees must be seen as contributors who through countless interactions in groups and teams, individually and collectively create an organization’s performance. Talent management acts as an enabler to achieve high performance. People are the major differentiators of any organization. Retaining top talent is becoming the key challenge for companies which depend on knowledge-workers and intellectual capital as the main resource (Srinivasan 2011)

Need for Talent Management- Origin and Growth

Reflecting on the need for talent management practices, it could be reasoned that, creation of more opportunities for high potentials, directions for employee development, talent on demand, keeping in mind the needs of a diverse workforce, better morale, lower turnover and stress, job content tie-in in the business plan at the strategic level to the job content of the jobs, and concentrating on the vision and direction would well encompass the objectives of talent management.
Over the years, the terms used to describe employees in businesses have changed. The movement has been from “Personnel” to “Human Resources” (HR) and now to “Human Capital”. The latest to describe this phenomenon is Talent Management. The transformation of HR processes has shifted the focus from a traditionally reactive and administrative function to one that is more proactive and tightly connected to business. Attaining organizational excellence has become the highest motive for TM.

Figure 1.4: From Personnel Management, an Antiquity to Cutting Edge Talent Management

Figure 1.1 depictsthe transition of Talent Management from Personnel Management-an Evolutionary Perspective (Source-Adapted and amended from bersin.wordpress.com, the third wave of HR)

The fundamental shift of the economy from the agrarian economy to the industrial economy to the knowledge economy has a lineage on the word Talent Management. In the 70’s and 80’s, the department handling people issues was known as the personnel department. The function of the personnel department was to acquire employees, remunerate them and make sure benefits were given to them.
“Traditionally the term personnel management was used to refer to the set of activities concerning the workforce which included staffing, payroll, contractual obligations and other administrative tasks”. The personnel department was responsible for the administrative tasks, and the term more often used for employees was workforce rather than resources. The personnel manager took care of the needs of the workforce. Further, personnel managers mediated between the management and the employees and hence there was always the feeling that personnel management was not aligned with the objectives of the organization.

The term “Strategic HR” became popular in the 1980s and 1990s. The HR function accepted more responsibilities and their role got enlarged. The VP of HR had a larger role to play within the management team. “Recruiting the right people, training them, helping the business design job roles and organization structures, develop "total compensation" packages which include benefits, stock options and bonuses, and serving as a central point of communication for employee health and happiness. VP of HR was the replaced position of Head of HR. The VP of HR was offered a seat at the table and got involved in strategy and execution. “The systems which were built up to support this new role comprise recruiting and applicant tracking, portals, total compensation systems, and learning management systems”. In this role, the HR department now became more than a business function: it has become a business partner, reaching out to support lines of business. The term HR is essentially replaced by Talent Management”(Conn, Khurana, & Reeves, 2005; Conger & Fulmer, 2003; Garger,1999).

There is now a paradigm shift from personnel management to human resource management to Talent management. Personnel was workforce centered, while HRM is resource centered; Talent is knowledge centered.HRM differs from personnel
management in the following ways; workforce are the labor pool and resources are the personnel regarded as an asset to the organization. Talent management is more dependent on the knowledge economy and the knowledge people carry with them in terms of Talent. A new era, in which the management of human resources is focused on emerging strategic issues is termed as Talent management. Managing people, is the ultimate goal of an enterprise. The way employees are motivated and managed, says a lot about the approach the business enterprise is taking. The manufacturing firms had personnel managers while the knowledge organizations have talent managers. Personnel Management was a thing of the past, organizations started recognizing the term Talent management and its applied benefits. In trying to understand both these terms, we have to recognize the fact that each serves or served the purpose for which they were instituted. The fig below represents HR’s most important priorities.

Figure 1.5: HR’s Most Important Priorities.


The term Talent Management first emerged in the late 1990s and was popularized when a study completed by researchers within McKinsey and Company revealed that it was not "best" practices that distinguished high performing companies
but it was a pervasive talent management mindset (Michaels, Handfield-Jones, & Axelrod, 2001). According to Derek Stockley, “Talent Management involves specific individual and organizational development in response to a shifting and complex operating environment”. It includes establishment and upkeep of organization culture which is supportive and people oriented and when defined, it means a conscious, deliberate approach undertaken to attract, develop and retain people with the aptitude and abilities to meet current and future organizational needs. (Source CIPD)

Employee development will become a process rather than an initial selection based on an individual's history. (Schein, 1996) “He acknowledged that talent can be developed in the individual but that the culture or climate must also be appropriate for this to occur”. This positioned the foundation for further development and alignment of talent management strategy. Managing talent has become more important to a wider range of companies than it used to be. The future of talent management may be about embracing and leveraging connectedness (Frank & Taylor, 2004). Corporations now appear ready to embrace this concept (Oakes, 2006). In fact, it has become a strategic imperative for many organizations (Ashton & Morton, 2005).

In terms of business performance, talent management has to pitch for the best resources available. There is a lack of clarity regarding the definition, scope and overall goals of talent management; it is rarely addressed in the academic journals (Lewis & Heckman, 2006). This is the gap which needs to be bridged between the practitioner and academic worlds. It is also defined as an architecture where a set of processes are designed to ensure an adequate flow of employees into jobs throughout the organization (Jackson & Schuler, 1990).
1.6. **Talent Management Systems**

A system is an organized purposeful structure which consists of interrelated and interconnected items. The elements of a system continually influence each other. An integrated Talent Management System consists of the four talent elements namely talent acquisition, talent development, and talent deployment and talent retention practices existing within an organizational framework. In terms of a process a TMS should integrate and develop human resources and systems across all departments and levels, involve the cooperation of all levels of managers, irrespective of the hierarchy, be an facilitating process, be pre-emptive in terms of sustainability and business growth and provide a feeling of connect among all employees.

However well designed and implemented talent management systems, which includes performance recognition, learning and development, career and succession management and appealing work environments and work life balance have a stronger and enduring approach. The figure represents the components of a talent management system.

![Figure1.6:theComponents of a Talent Management System (Researcher Derived)](image-url)
1.7. Components of a TMS

As figure 1.3 suggests the Talent Management System comprises of the four talent elements. They are Talent acquisition, Talent Development, Talent Deployment, and Talent Retention. In this research, the researcher will be studying the impact of a TMS on the Business performance with relevance to the Indian IT industry.

1.8. Research Gap

There are several studies on Talent Management in general and also in the IT sector, in particular. Limited number of studies have been conducted on the impact of TMS on business performance in the Indian context. Many research papers on the subject Talent Management have been published in leading journals by established authorities, professionals, organizations and academicians. Many workshops, seminars and conferences have also been held. In our country, the research on this subject is meager and handful. The research gap offers many opportunities for research in this area.

Talent Management has become a competitive necessity. Also India has a young workforce and to develop and create talent becomes all the more significant. While the area of Talent Management is emerging as a research field, there are many areas within this vast field that need to be explored. An applied benefit in terms of business performance is seen in effectively managing an organizations talent. With a relatively young and educated workforce, India has much to offer in terms of developing and creating talented personnel in the IT industry. This research will study the link between Talent Management System and Business performance in the Indian IT industry. Talent related issues will be one of the most important challenges faced by organizations in the coming times. There is a shortage of talent in most
organizations today. The gap exists at the top, middle level and at the entry level. Talent has become a scarce resource and should be managed to the best effect. To do more with less is what is being looked at. The capacity to effectively acquire, develop, deploy and retain talent is the only competitive advantage and benefits the organization possesses.

Figure 1.7: Benefits of Talent Management

Source: Public Service Secretarait, Government of Newfoundland Labrador

1.9. Operational Definitions, Concepts and Constructs

Concept can be understood as: Explanations or generalizable properties or characteristics associated with objects, events, or people.

A construct is an abstract concept that is specifically chosen to explain a given phenomenon. Here the constructs are TMS, TA, TD, TR, TDP, TASK model and BP.
Operational definitions define constructs in terms of how they will be empirically measured. “Reduction of abstract concepts to render them measurable in a tangible way is called operationalizing the concepts”.

Management experts have defined the concept of Talent Management in different ways in different contexts. There is a lack of unanimity in their opinions and research findings. Reflecting on the views expressed by these researchers, the following terms have been operationally defined for the purposes of this research.

Talent: Talent is defined very broadly as follows: A code for the most effective leaders and managers at all levels who can help a company fulfill its aspirations and drive its performance, managerial talent is some combination of a sharp strategic mind, leadership ability, emotional maturity, communications skills, the ability to attract and inspire other talented people, entrepreneurial instincts, functional skills, and the ability to deliver results.

Talent Management: “It is how organizations attract, select, develop and deploy, retain and manage employees in an integrated and strategic way”

Business Performance: “Business performance is a combination of management and analytic processes that allows managers of an organization to achieve pre-determined goals. Business performance management has three main activities: selection of goals, consolidation of measurement information relevant to the organization’s achievement of these goals, and interventions made by managers in light of this information.”

Talent Acquisition: “A strategic approach to identifying, attracting and onboarding top talent to efficiently and effectively meet dynamic business needs.”
Talent Development: “Development is all about developing and guiding those star employees who are able to contribute to the company’s success and growth”

Talent Deployment: “Ensures that subordinates are able to link their individual contribution to organizational and divisional strategic direction. Actively created opportunities for employees to be engaged in work that is challenging”.

Talent Retention: “Employee retention refers to the various policies and practices which let an employee stick to an organization for a longer period of time”.

TASK Model: “The thought Action, Skills and Knowledge model proposed by Dr. SubhashSharma (1996) who reported that there is an association between thoughts, actions, and emotions. For instance, in interpersonal interactions, good thoughts lead to positive actions and badthoughts lead to vengeance and revengeful action which have an impact on task performance”.

1.10. Aims and Objectives

Talent discovery, creation, retention and multiplication are the challenges the IT industry comprising of knowledge workers present in the current business scenario. There is a demand for skilled workers all over the world. A talent management system should not only aim at acquiring and retaining talented employees, but must also ensure succession and replacement of employees at the right time. The system should also be designed in a way to report any shortages of talent in terms of attrition. Talent spotting and developing talent become the next set of practices. Therefore the research study aims at studying the impact of talent management system on
employees, how to motivate them, how to internalize the TASK model and how to ensure high potentials do not separate from the organization.

1.11. Objectives of the Study

1. To study the current Talent Management Systems (TMS) and practices as aligned with the Business Performance of the organizations in the Indian IT industry.

2. To study the employee understanding of the talent management practices and identify if IMH factors viz. Inspirational (e.g. vision, mission, leadership related factors), Motivational factors (e.g. challenging work, recognition, responsibility) and Hygiene factors (e.g. status, job security, salary, fringe benefits, work conditions) impact a Talent Management System.

3. Gain an understanding of how the TMS elements, (talent acquisition, talent development, talent deployment and talent retention) form a talent framework/ Talent Management System and how the TASK model impacts the TMS of an organization.

4. To evaluate if, the demographic factors play an important role in the IMH factors of an organization and how it has a bearing on the business performance of an organization.

1.12. Chapter Scheme

Chapter 1-Introduction to the Research Study
Chapter 2-Review of Literature
Chapter 3-Research Methodology
Chapter 4-Data Analysis and Research Findings

Chapter 5-Discussions, Conclusions, Recommendations, and Directions for Future Research

Chapter 6-Bibliography