

# A study on effective Talent acquisition practices for enhanced Talent Management with special reference to IT sector

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**Abstract :** Talent Management is one of the primary management tools for 21st century human assets management (Cappelli, 2008) because the significant resource for firms competing in this century is no longer land, capital, and other tangible assets but the human capital necessary to adapt organizations to global competition and maximize the benefits associated with the current technological boom (Ingham, 2006; Ashton and Morton, 2005; McGee, 2006; McCauley and Wakefield, 2006; Heinien and O'Neill, 2004). A recent research analysed that employers who excelled in recruiting talents, witnessed 3.5 times more revenue growth and two times the profit margin of other competitive employers in the market.

With talent management becoming an area of growing concern in the literature, we've organised a descriptive study to understand the effectiveness of talent acquisition in IT companies for enhanced talent management. A random sample of IT professionals in leading organisations in Chennai is collected & analysed using Mean, Correlation, hypothesis-testing & SEM. The study analyses the variables like Employer Branding, Resourcing Strategy, Assessments & Talent Analytics.

The objective of talent management study portrays organization's capability to attract talent resources, develop and retain them for executing the organizational business strategy. The results are analyzed & industry-specific suggestions are incorporated. Taking a long term strategic approach on talent management will have a futuristic business impact. The new approach is changing the talent landscape at an unparalleled pace. Employees and managers will work hard to spend more time sharing and collaborating with each other for the greater good of the company. Today, talent management focuses on getting their existing workforce onboard to meet agile business needs. The new talent equation has a more holistic approach by developing in-house leaders with technical and managerial expertise to deliver desired results aligning with the business strategy, with the potential to grow with the organization.

**Keywords:** Acquisition, Employer Branding, Talent Analytics, Assessment, High-potentials, Talent Management.

## I. INTRODUCTION

Quite often, organizations incorporating a talent management approach will focus on co-coordinating and integrating the following strategies: • Recruitment - branding the employer & qualified people are attracted and employed in the organization. • Retention - strategies that reward and support employees. • Professional development - ensuring continuous informal and formal learning & development. • Workforce planning - planning for business and general changes, including the older workforce and current/future skill shortages. • Culture- development of a positive, progressive and high performance "way of operating". • Advanced leadership & development -

specific development programs for existing and future leadership pipeline • Performance management - specific processes that nurture and support performance, including feedback/measurement.

With the help of the above detailed integration process as a part of the talent management program, organizations provide individuals the opportunity and space for physically manifesting their talent into performance for achieving individual and organizational vision.

Talent generally refer to the capabilities, skills or art, a particular person possess in a particular field. Talent refers to those people who have high potential, knowledge and skills or who can successfully bring out transformation and

change in the organization with the motto of “keeping people who keep you in business”. The word talent management in an organization was coined [1] by **David Watkins** of **Softscape** in **1998**. It is defined as the process of attracting and retaining profitable employees. It also refers to steps an organization adopts to recruit, develop and retain its pool of top talent. Talent Management also denotes a deliberate approach taken up by an organization to attract, develop and retain people to meet not only the current requirements but also future organizational need.

### Talent Acquisition

It ensures that right talent is attracted and employed in the organization with effective **Employer branding, Talent Assessments, Resourcing Strategy** through **effective Recruitment Channels & Talent Analytics**.

### Employer Branding

A strong employer brand improves the quality of talent pool, quality-of-hire, enhances candidate engagement and boosts attrition rates. Additionally, research in *Personnel Today* (HR magazine) found that employee retention initiatives are foremost in the minds of people tasked with developing their organization as an employer of choice (Glen, 2006, p.45).

### Resourcing Strategy

**‘Buying talents’** – achieved by recruiting, sourcing and securing new high-potential talent into the organization.

**‘Building talents’** – achieved by helping people grow through training, project assignments. This helps to ensure that the organization has talent who will fit into its culture (CIPD, 2007; Stahl et al, 2012). Govaerts et al (2011) note that appropriate development is expected to drive talent motivation; and thus leads to commitment and increase the likelihood of ‘talent staying’ with the organization. Meanwhile, poor development is five times likely to influence managers to leave the organization than leave an organization that is developed (Michaels et al, 2001, p. 98).

### Talent Assessment & Analytics

Talent assessments and analytics are a ‘must-have’ in today’s business landscape; Best-in-class organizations use assessments as a fundamental piece of talent management process within each stage of the employment lifecycle – critical to make hiring decisions improving post-hire performance and career progression.

Businesses are faced with new challenges in maintaining high productivity, compete for talent among a shrinking highly-skilled workforce, driving innovation and speed-to-market. The utilisation of talent assessments in the organization and across employment stages can effectively reach the objectives.

## II. REVIEW OF LITERATURE

*Bersin by Deloitte (2016) research found that 29 percent of organisations surveyed globally have mature talent strategies & processes in place.* The study also reveals that high-maturity organizations have clear talent strategies aligning to business strategy, a visible culture of leadership and learning, a deep understanding of and dialogue with talent and practices that embrace diversity and inclusion.

**Groves, Kevin S (2016)** explains that difficult economic conditions and powerful workforce trends pose significant challenges to managing talent in health care organizations. Although robust research evidence supports the many benefits of maintaining a strong commitment to talent management practices despite these challenges, many organizations compound the problem by resorting to workforce reductions and limiting or eliminating investments in talent management. This study examines how nationwide health care systems address these challenges through best practice talent management systems. Addressing important gaps in talent management theory and practice, this study develops a best practice model of talent management that is grounded in the contextual challenges facing health care practitioners. Utilizing a qualitative case study that examined 15 nationwide health care systems, data were collected through semi-structured interviews with 30 executives and document analysis of talent management program materials submitted by each organization. Exemplary health care organizations employ a multi-phased talent management system composed of six sequential phases and associated success factors that drive effective implementation.

**Murthy (2010)** defined talent management as “managing the entire employee lifecycle from attracting and hiring to promoting and finding a successor upon retirement. It also includes identification of key gaps between talent in place and the talent required to drive business success.”

**(Jackson & Schuler, 1990)** narrate talent management as the job of “ensuring the right person, in the right job at the right time”. **Rothwell (1994)** describes talent management as “a deliberate and systematic effort by an organization to ensure leadership continuity in key positions and encourage individual advancement.

**Harris & Brannick (1999b)** in their study opined that successful talent management system involves alignment of organizational recruitment with the company’s organizational culture. According to them, the culture of good customer service, innovation and operational excellence would be pursued only if company is able to attract and retain the right talent.

**Maniam Kaliannan, Mathew Abraham, Vanitha Ponnusamy (2016)** intended to develop a framework for effective talent management among SMEs in Malaysia by examining talent management practices that influence job

satisfaction and organisational commitment among employees in Malaysian SMEs. This is crucial as SMEs in Malaysia contribute towards the growth of domestic economy, yet they are ineffective in developing their human capital. Talent management pays attention to how company designs and maintains human resource policies that are strategic to a business organization in meeting its goals. **Four core talent management practices are identified for this research, i.e. Staffing and Recruitment, Training and Development, Rewards and Recognition, and Retaining practices.**

It is imperative to interpret the above practices from the practitioners' viewpoint, hence qualitative research is deemed relevant for this study, data was collected via focus group interviews and structured interview. Findings indicate a gap between employees and employers in terms of expectations of talent management practices. Employees are looking for better training opportunities and some form of remuneration and recognition that demonstrates full potential at work. Besides this, a decent work environment is important for employees to be innovative and perform better at work. Management transparency and open communication is essential to build trust which cultivates commitment and job satisfaction that eventually retain talent in an organisation.

Generation X managers find it difficult to manage their generation Y subordinates due to differences in value and attitude towards work. However, few have noted that open communication and equal treatment can help to manage this generation gap. SMEs in Malaysia need to be focused and strategize their current HR practices to be relevant and effective, in their own mould and not to emulate MNCs. Hence it is crucial for them to work with relevant agencies and stakeholders.

The **Aberdeen Group study** find organizations using assessments 24% more likely to have a willing successor for each key position. And demonstrated a:

- **75% incremental year-over-year improvement in hiring manager satisfaction.**
- **75% year-over-year decremental in hiring costs.**
- **2.5 times year-over-year increment in profit per full-time equivalent.**

### III. RESEARCH METHODOLOGY

**Data Collection** : – With talent management becoming an area of growing concern in the literature, we've organized a descriptive study to understand the effectiveness of talent acquisition in companies for enhanced talent management.

Primary Data is collected through structured questionnaire, interviews & secondary data are collected through books, newsletters, websites, journals. A random sample of

674 IT professionals of around 20 companies in Chennai is collected & analyzed using Mean & Correlation analysis, hypothesis testing & Structural Equation Modelling.

### IV. ANALYSIS & INTERPRETATION

SUB PART I - TALENT ACQUISITION	Mean	SD
EMPLOYER BRANDING	3.82	.428
RESOURCING STRATEGY	3.67	.491
ASSESSMENTS	2.98	.349
TALENT ANALYTICS	2.71	.553
<b>Mean Score</b>	<b>3.21</b>	<b>.405</b>

**Table. 1.1. Mean and Standard Deviation of Employer Branding (Variable)**

Measuring Items	Mean	Sd
Organisation's on-boarding, induction processes showcase and highlight the firm's employer branding.	4.14	.696
Recruiters / HR share the valuable content about company's "Brand" i.e. its culture, values, mission, benefits etc. on social media.	4.03	.768
Organization reaches diverse talent communities with dynamic career sites and multi-channel job-posting.	3.89	.727
Leverages multimedia to articulate the organizational culture and showcase the employer brand.	3.98	.744
Builds a better candidate experience with simplified processes and improved candidate engagement.	3.55	.762
Uses innovative, mobile and SEO optimized career sites, differentiating from competing employers.	3.45	.736
Maintain new employees' interest while ensuring they hit the ground running	3.79	.613
<b>Mean Score</b>	<b>3.82</b>	<b>.428</b>
<i>* Sources – Primary data</i>		

**Table. 1.2. Mean and Standard Deviation of Resourcing Strategy(Variable)**

Measuring Items	Mean	Sd
There is a streamlined skill-gap analysis with competitor / market forecast.	3.04	.960
Company builds job specific work-flows and application processes.	3.46	.979
Organization continues to recruit key talent / niche areas from a much wider geography.	3.85	1.069
Up-skills existing employees to fill hard-to-recruit-for positions	2.92	.914
Organization makes changes to the value proposition to improve the reputation.	4.19	.849
Interviewers are trained to understand diversity and the impact of stereotypes.	3.26	.823
Recruitment Consultancies / partners are considered integral for attracting top talent.	4.07	.813
Company prefer candidates with accountability for complex jobs and tackle complex challenges.	4.38	.616
<b>Mean Score</b>	<b>3.67</b>	<b>.491</b>
<i>* Sources – Primary data</i>		

**Table. 1.3. Mean and Standard Deviation of Assessments**

Measuring Items	Mean	Sd
Screens through psychometric assessments to better gauge candidates' competencies and capabilities.	2.76	.788
Behavioural and situational based interviews are also scheduled apart from initial technical rounds.	3.03	.770
Organisation builds a seamless on-boarding process, helping new hires achieve productivity faster.	2.95	1.019
Company use Talent Assessments to identify candidates that will be a good fit for the role / job.	3.23	.865
Organisation realizes the predominant benefit of bench-marking candidates with psychometric testing.	2.91	.932
Creates a workforce plan that is driven by strategy, integrated with the execution of the goals.	3.00	1.010
Builds assessments that recognise the uniqueness of each role and accurately evaluate the performance of employees for future roles.	2.97	.886
<b>Mean Score</b>	<b>2.98</b>	<b>.349</b>

\* Sources – Primary data

**Table. 1.4. Mean and Standard Deviation of Talent Analytics**

Measuring Items	Mean	Sd
Company makes more informed talent decisions and more impactful people investments.	2.66	.951
Creates talent map / grids that help company mitigate the risk of attrition and predict success at future	2.63	1.099

**Table. 1.5. Difference of Opinion on Talent Acquisition (Resourcing Strategy, Employer Brand, Assessments & Talent Analytics) based on the Employee Designation Group of the Respondents**

$H_0$ : There of no significant difference of opinion on talent acquisition (resourcing strategy, employer brand and assessments) based on the employee designation group of the respondents.

Variables	Labels	SS	df	MS	F	Sig.
Employer Branding	BG	2.107	4	.527	2.910	.021*
	WG	121.080	669	.181		
	Total	123.187	673			
Resourcing Strategy	BG	1.820	4	.455	1.898	.109
	WG	160.370	669	.240		
	Total	162.190	673			
Assessments	BG	.924	4	.231	1.912	.107
	WG	80.862	669	.121		
	Total	81.786	673			
Talent Analytics	BG	2.238	4	.559	1.839	.120
	WG	203.497	669	.304		
	Total	205.734	673			
Overall Talent Acquisition	BG	2.505	4	.626	3.886	.004*
	WG	107.829	669	.161		
	Total	110.334	673			
* Significant at 0.05 % level		SS - Sum of Squares			MS - Mean Square	
BG - Between Groups		df - Degrees of Freedom			F - Fischer's Ratio	
WG - Within Groups						

The variables of the dimension talent acquisition like employer branding and overall talent acquisition shows significant difference based on the employee designation group of the respondents. Because the significance (calculated sig. value) of all the above mentioned variables is less than the authentic significance ( $p < 0.05$ ). Therefore the null hypothesis is rejected. While the variables of the dimension talent acquisition like resourcing strategy, assessments and talent analytics shows no significant difference based on the employee designation group of the respondents. Because the significance (calculated sig. value) of all the above mentioned variables is higher than the authentic significance ( $p > 0.05$ ). Therefore the null hypothesis is accepted.

positions.		
Senior business leaders use HR Analytics for key talent decisions.	2.85	1.034
Organisation builds a data-driven culture and data driven policy.	2.85	1.029
Implements best practices for assembling and leading data science teams.	2.49	.927
Availability of customized analytics report for insights into data-driven workforce allocation and strategies.	2.63	.926
Monitor employees' progress through brilliant interactive dashboards.	3.15	1.205
<b>Mean Score</b>	<b>2.71</b>	<b>.553</b>

\* Sources – Primary data

The respondents agree with the variable “employer branding” with a central tendency value of 3.82 and a dispersion value of 0.428. In the same way the respondents agree with the variable “resourcing strategy” with a central tendency value of 3.67 and a dispersion value of 0.491.

While the respondents are having a neutral feel towards the variable “assessments” with a central tendency value of 2.98 and a dispersion value of 0.349. And in the same way the respondents are having a neutral feel towards the variable “talent analytics” with a central tendency value of 2.71 and a dispersion value of 0.553.



**Table. 1.6. Relationship between the variables of Talent Acquisition and Talent Management Process**

$H_0$ : There of no significant correlation between the variables of talent acquisition and talent management process.

Variables		Employer Branding	Resourcing Strategy	Assessments	Talent Analytics	Talent Acquisition
Employer Branding	PC	1				
	Sig.					
	N	674				
Resourcing Strategy	PC	.287**	1			
	Sig.	.000				
	N	674	674			
Assessments	PC	.068	.096*	1		
	Sig.	.079	.012			
	N	674	674	674		
Talent Analytics	PC	-.028	-.011	.020	1	
	Sig.	.463	.777	.608		
	N	674	674	674	674	
Talent Acquisition	PC	.237**	.369**	.237**	.277**	1
	Sig.	.000	.000	.000	.000	
	N	674	674	674	674	674
Talent Management Process	PC	-.033	-.118**	-.099**	-.003	-.063
	Sig.	.388	.002	.010	.937	.105
	N	674	674	674	674	674
** Correlation is significant at the 0.01 level (2-tailed).						
* Correlation is significant at the 0.05 level (2-tailed).						
PC - Pearson Correlation						
N - Number of Respondents						

**Positive Correlation**

The independent variable Employer branding has positive correlation with the dependent variables like resourcing strategy with a pearson correlation value of 0.287 and then talent acquisition with a pearson correlation value of 0.237. Similarly the independent variable resourcing strategy has positive correlation with the dependent variables like assessments with a pearson correlation value of 0.096 and then talent acquisition with a pearson correlation value of 0.369.

Similarly the independent variable assessment has positive correlation with the dependent variable like talent acquisition with a pearson correlation value of 0.237. And finally the independent variable talent analytics has positive correlation with the dependent variables like talent acquisition with a pearson correlation value of 0.277.

**Negative Correlation:** The independent variable resourcing strategy has negative correlation with the dependent variable like talent management process with a pearson correlation value of - 0.118. And finally the independent variable assessment has negative correlation with the dependent variable like talent management process with a pearson correlation value of -0.099.

**No Correlation:** The independent variable employer branding has no correlation with the dependent variables like assessments, then talent analytics and then talent management process. Similarly the independent variable resourcing strategy has no correlation with the dependent variable like talent analytics. Similarly the independent variable assessments has no correlation with the dependent variable like talent analytics.

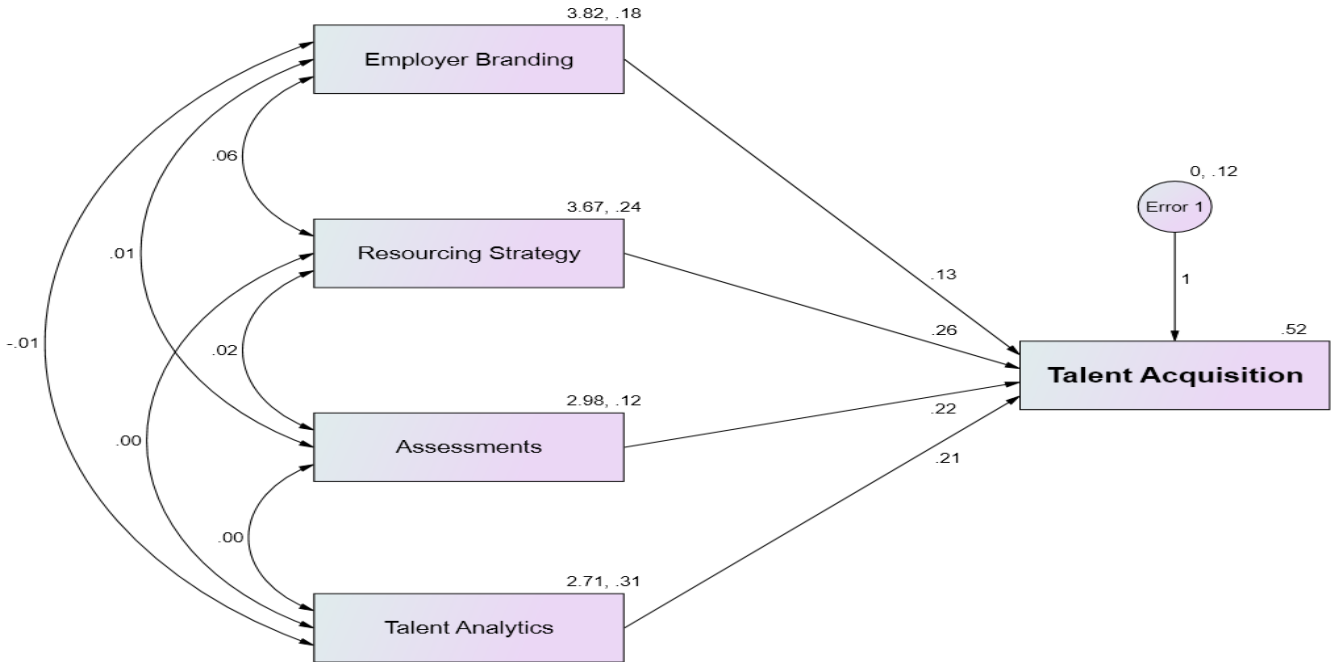
**STRUCTURAL EQUATION MODELLING - IMPACT OF THE INDEPENDENT VARIABLES - RESOURCING STRATEGY, EMPLOYER BRAND, ASSESSMENTS AND TALENT ANALYTICS ON THE DEPENDENT VARIABLE TALENT ACQUISITION**

**Table. 1.7. Model Fit - Impact of Resourcing Strategy, Employer Brand, Assessments and Talent Analytics on Talent Acquisition**

Test for Model Fit	Values
GFI (Goodness of Fit)	0.920
AGFI( Adjusted Goodness of Fit)	0.934

The **GFI (Goodness of Fit)** and **AGFI (Adjusted Goodness of Fit Index)** should be nearing to one or one indicates that the model is a good fit. In this model the GFI value is 0.920 and AGFI value is 0.934. This clearly implies that the model is a good fit.

**Fig: 1.1 Impact of Resourcing Strategy, Employer Brand, Assessments and Talent Analytics on Talent Acquisition**



**Table. 1.8. Regression Weights - Impact of Resourcing Strategy, Employer Brand, Assessments and Talent Analytics on Talent Acquisition**

Variable	Inf.	Variable	UE	SE	S.E.	C.R.	P
Talent Acquisition	←	Employer Brand	0.134	0.142	0.033	4.125	***
Talent Acquisition	←	Talent Analytics	0.206	0.281	0.024	8.544	***
Talent Acquisition	←	Assessments	0.222	0.191	0.038	5.785	***
Talent Acquisition	←	Resourcing Strategy	0.258	0.313	0.028	9.092	***
*** Significant at 0.001percentage Level			S.E – Standard Error				
** Significant at 0.05percentage Level			C.R – Critical Ration				
UE – Unstandardised Estimate			P – Probability Value				
SE – Standardised Estimate			Inf. – Influence				

**Positive Influence**

- If employer brand rises to one degree up in the positive direction, then it can be seen, 0.134 increase in talent acquisition.If talent analytics rises to one degree up in the positive direction, then it can be seen, 0.206 increase in talent acquisition.
- If talent assessments rise to one degree up in the positive direction, then it can be seen, 0.222 increase in talent acquisition.If resourcing strategies rises to one degree up in the positive direction, then it can be seen, 0.258 increase in talent acquisition.

**Table. 1.9. Squared Multiple Correlations - Impact of Resourcing Strategy, Employer Brand, Assessments and Talent Analytics on Talent Acquisition**

**Table. 1.10.**

Variable	Estimate
Talent Analytics	0.272

The dependent variable talent analytics shows 27.2 percentage of its variance in when influence by the independent variable resourcing strategy, employer brand, assessments and talent analytics.

**Based on the study, we understand that IT Companies have to further strategise their talent management process for enhanced business outcomes by**

- Increase new hire engagement through a more effective on-boarding process, enhancing productivity.
- Provide managers a science-driven, data-based road-map to make informed employment decisions and performance improvements at every stage of employment.
- Link assessment data to development programs, succession paths, variable compensation, and productivity output.
- Unleash talent within the organization and help develop the next generation of leaders to drive success and profitability.
- True best-in-class assessment strategies involve not only selecting the right tools, but integrating them with the rest of the company's talent strategy to guide and inform decision-making throughout the employee life-cycle.

The war for talent is more intense than ever. Just when organizations are starting to adapt to the demands of millennials, their successors—Generation Z—are already inline. Now, HR leaders aren't just competing against their competitors—they're also battling demands from their potential recruits.

## V. CONCLUSION

**With a specific targeted talent management strategy, organizations shall achieve excellence in acquiring & retaining millennials. Companies build long-term value when they engage their employees in creating active talent relationships. Today's workforce don't look for a career; they seek an experience. Redundant employee programs are non-responsive to the demands of this workforce. In order to sustain employees in the age of job hopping, the workplace has to offer a magnetic environment with a flat hierarchy.**

Developing a focused recruitment strategy that takes into consideration, job applicant's perspective, targets and reaches specific types of candidates with a well-crafted message, secures highly qualified candidates for the organization.

Employee on-boarding is no longer just piles of paperwork and presentations about organizational values, as the new-gen workforce concentrates on fun, collaboration, and levity. Organizations need to move past the boring practices and focus on creating an engaging onboarding experience that reflects organizational values and culture in a unique way. Be it welcoming the new hires with **swag gift bags like LinkedIn, or rotating every employee through every department like Etsy, or following the Zappos way of paying new hires.**

Performance management can be made continuous like Adobe, Accenture & GE rather than a single time evaluation. This focuses on broader framework of employee development throughout the year, with continuous informal

communication between managers and employees. A good succession plan needs to aspire to the likes of **Alphabet (Google's parent company)**, which spots, nurtures, challenges and creates leaders within the existing talent pool. **Trends like cloud computing, big data, gamification, and automation have the potential to transform HR and talent management processes for the better.** Companies like **Deloitte and Cisco** use interactive elements like Gamification, HD videos, and social learning to make the training program fun and engaging.

Although talent management practices are applied in different companies across the world, they can only contribute optimally to business performance if both top management and employees are aligned on objectives and implementation of effective talent management in the organization.

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