



A STUDY ON EMPLOYEE SEGMENTATION AND TALENT MANAGEMENT PRACTICES IN IT INDUSTRY

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Abstract

Managing the talent of key employees is vital to attain the success in long-term by any organization. Talent management involves individual and organizational development in response to a changing and complex operating environment. It includes the creation and maintenance of a supportive, people oriented organization culture. Majority of IT companies adopt inclusive segmentation for delivering talent management practices for their employees. The results indicate that there is no significant difference between strategies adopted for delivering talent management practices and factors affecting employee segmentation. The results imply that there is no significant association between strategies adopted for delivering talent management practices and talent management practices used for different segments of employees based on business impact and talent cost. Therefore, the IT companies must implement strategies related differentiation and cost leadership efficiently to improve their business performance. Besides, IT companies should improve the salary and quality of employees and nature of job and contribution of employees through participatory approach.

Key Words: Employee Segmentation, IT Industry, Talent Management Practices .

1. Introduction

Today's businesses are facing increased global competition, transferring markets and unexpected events. They are finding it very difficult than ever to attract, develop, and retain the skilled workers they need (McCauley and Wakefield, 2006). Talent management is a conscious and deliberate approach undertaken to attract, develop and retain people with the abilities and aptitude to meet current and future organizational needs.

The notion of talent management is used to explain sound and integrated human resource practices with the objectives of absorbing and keeping the right persons, for the right positions, at the right time. Organizations are run by human resources, and the talent of these human beings will determine the accomplishment of organizations (Michaels, et. al., 2002).

Managing the talent of key employees is vital to attain the success in long-term by any organization. Talent management involves individual and organizational development in response to a changing and complex operating environment. It includes the creation and maintenance of a supportive, people oriented organization culture.

The organizations can acknowledge that every individual has strengths and competencies or talents that can be of value for the objectives of the organizations. On the one hand, the organizations strive to meet the wants and needs of the individuals, although on the other hand, organizational success is being put forward (Knies, 2012). Thus, the present research is made to study the employee segmentation and talent management practices in IT industry in Chennai.

2. Methodology

Chennai city is chosen for the present study. The 60 HR managers of IT companies are selected for the present study by using random sampling method and the data are gathered from them through structured questionnaire. To study the strategies adopted for delivering talent management practices for employees, factors affecting employee segmentation, talent management practices used for different segments of employees based on business impact and talent cost and talent management practices used for different segments of employees based on replacement and value addition, the frequency and percentage analysis are carried out. To examine the difference between strategies adopted for delivering talent management practices and factors affecting employee segmentation, the ANOVA (Analysis of Variance) test is done. To study the association between strategies adopted for delivering talent management practices and talent management practices used for different segments of employees based on business impact and talent cost and association between strategies adopted for delivering talent management practices and talent management practices used for different segments of employees based on replacement and value addition, the Chi Square test is applied.

3. Results and Discussion

3.1. Strategies Adopted for Delivering Talent Management Practices

The strategies adopted for delivering talent management practices for employees was analyzed and the results are presented in Table-1.



Table-1. Strategies Adopted for Delivering Talent Management Practices

Strategies	Number of HR Managers	Percentage
Exclusive Segmentation	23	38.33
Inclusive Segmentation	37	61.67
Total	60	100.00

The results show that 61.67 per cent of HR managers opine that the strategy of inclusive segmentation is adopted for delivering talent management practices for their employees, while, 38.33 per cent of HR managers opine that the strategy of exclusive segmentation is adopted for delivering talent management practices for their employees.

3.2. Factors Affecting Employee Segmentation

The factors affecting employee segmentation were analyzed and the results are presented in Table-2.

Table-2. Factors Affecting Employee Segmentation

Factors	Strongly Agree	Agree	Neutral	Disagree	Strongly Disagree	Total
Salary of Employees	8 (13.33)	10 (16.67)	9 (15.00)	13 (21.67)	20 (33.33)	60 (100.00)
Quality of Employees	14 (23.33)	16 (26.67)	7 (11.67)	12 (20.00)	11 (18.33)	60 (100.00)
Skills and Knowledge	14 (23.33)	25 (41.67)	9 (15.00)	6 (10.00)	6 (10.00)	60 (100.00)
Nature of Job	16 (26.67)	19 (31.66)	10 (16.67)	9 (15.00)	6 (10.00)	60 (100.00)
Nature of Contribution	15 (25.00)	16 (26.66)	13 (21.67)	10 (16.67)	6 (10.00)	60 (100.00)
Functional Area	25 (41.67)	18 (30.00)	6 (10.00)	6 (10.00)	5 (8.33)	60 (100.00)
Work Experience	14 (23.33)	17 (28.34)	11 (18.33)	10 (16.67)	8 (13.33)	60 (100.00)
Domain Knowledge	9 (15.00)	31 (51.67)	8 (13.33)	5 (8.33)	7 (11.67)	60 (100.00)
Key Performance	22 (36.67)	18 (30.00)	9 (15.00)	5 (8.33)	6 (10.00)	60 (100.00)
Training Requirements	19 (31.67)	26 (43.33)	4 (6.67)	7 (11.66)	4 (6.67)	60 (100.00)

The Figures in the parentheses are per cent to total

The results show that 33.33 per cent of HR managers are strongly disagreed with salary of employees followed by disagree (21.67 per cent), agree (16.67 per cent), neutral (15.00 per cent) and strongly agree (13.33 per cent). The results indicate that 26.67 per cent of HR managers are agreed with quality of employees followed by strongly agree (23.33 per cent), disagree (20.00 per cent), strongly disagree (18.33 per cent) and neutral (11.67 per cent).

The results reveal that 41.67 per cent of HR managers are agreed with skills and knowledge followed by strongly agrees (23.33 per cent), neutral (15.00 per cent), disagree and strongly disagree (10.00 per cent). The results imply that about 31.66 per cent of HR managers are agreed with nature of job followed by strongly agree (26.67 per cent), neutral (16.67 per cent), disagree (15.00 per cent) and strongly disagree (15.00 per cent).

The results show that 26.66 per cent of HR managers are agreed with nature of contribution followed by strongly agree (25.00 per cent), neutral (21.67 per cent), disagree (16.67 per cent) and strongly disagree (10.00 per cent). The results indicate that 41.67 per cent of HR managers are strongly agreed with functional area followed by agree (30.00 per cent), neutral and disagree (10.00 per cent) and strongly disagree (8.33 per cent).

The results reveals that 28.34 per cent of HR managers are agreed with work experience followed by strongly agree (23.33 per cent), neutral (18.33 per cent), disagree (16.67 per cent) and strongly disagree (13.33 per cent). The results imply that 51.67 per cent of HR managers are agreed with domain knowledge followed by strongly agree (15.00 per cent), neutral (13.33 per cent), strongly disagree (11.67 per cent) and disagree (8.33 per cent).



The results indicate that 36.67 per cent of HR managers are strongly agreed with key performance followed by agree (30.00 per cent), neutral (15.00 per cent), strongly disagree (10.00 per cent) and disagree (8.33 per cent). The results show that 43.33 per cent of HR managers are agreed with training requirements followed by strongly agree (31.67 per cent), disagree (11.66 per cent), neutral and strongly disagree (6.67 per cent).

3.3. Strategies Adopted for Delivering Talent Management Practices and Factors Affecting Employee Segmentation

To examine the difference between strategies adopted for delivering talent management practices and factors affecting employee segmentation, the Analysis of Variance (ANOVA) test is done and the results are presented in Table-3.

Table-3 Strategies Adopted for Delivering Talent Management Practices and Factors Affecting Employee Segmentation – ANOVA Test

Source	SS	Df	MS	F-Value	Sig
Between Groups	24.964	1	24.964	.776	.382
Within Groups	1865.220	58	32.159		
Total	1890.183	59	-	-	-

The F- value of 0.776 is not statistically significant indicating that there is no significant difference between strategies adopted for delivering talent management practices and factors affecting employee segmentation. Hence, the null hypothesis of there is no significant difference between strategies adopted for delivering talent management practices and factors affecting employee segmentation is accepted.

3.4. Talent Management Practices Used for Different Segments of Employees based on Business Impact and Talent Cost

The talent management practices used for different segments of employees based on business impact and talent cost was analyzed and the results are presented in Table-4.

Table- 4. Talent Management Practices Used for Different Segments of Employees based on Business Impact and Talent Cost

Talent Management Practices	High Business Impact+ High Talent Cost	High Business Impact+ Low Talent Cost	Low Business Impact+ High Talent Cost	Low Business Impact+ Low Talent Cost	Total
In house development programmes	17 (28.33)	16 (26.67)	13 (21.67)	14 (23.33)	60 (100.00)
Coaching	13 (21.67)	18 (30.00)	12 (20.00)	17 (28.33)	60 (100.00)
Succession planning	11 (18.34)	18 (30.00)	17 (28.33)	14 (23.33)	60 (100.00)
Mentoring and buddying	16 (26.67)	10 (16.66)	18 (30.00)	16 (26.67)	60 (100.00)
Cross functional project assignments	17 (28.33)	16 (26.67)	16 (26.67)	11 (18.33)	60 (100.00)
High potential development schemes	10 (16.67)	17 (28.33)	18 (30.00)	15 (25.00)	60 (100.00)
Graduate development programmes	11 (18.33)	16 (26.67)	13 (21.67)	20 (33.33)	60 (100.00)
Courses at external institutions	9 (15.00)	12 (20.00)	20 (33.33)	19 (31.67)	60 (100.00)
Internal secondments	15 (25.00)	14 (23.33)	19 (31.67)	12 (20.00)	60 (100.00)
Assessment centres	11 (18.34)	15 (25.00)	20 (33.33)	14 (23.33)	60 (100.00)
360-degree feedback	12 (20.00)	14 (23.33)	13 (21.67)	21 (35.00)	60 (100.00)
Job rotation and shadowing	10 (16.67)	14 (23.33)	20 (33.33)	16 (26.67)	60 (100.00)



Development centers	16 (26.67)	12 (20.00)	18 (30.00)	14 (23.33)	60 (100.00)
Action learning sets	18 (30.00)	16 (26.67)	14 (23.33)	12 (20.00)	60 (100.00)
External secondments	20 (33.33)	16 (26.67)	13 (21.67)	11 (18.33)	60 (100.00)

The Figures in the parentheses are per cent to total

The results show that 28.33 per cent of HR managers opine that in house development programmes are used for high business impact+ high talent cost employees followed by high business impact+ low talent cost (26.67 per cent), low business impact+ high talent cost (21.67 per cent) and low business impact+ low talent cost (23.33 per cent).

The results indicate that 30.00 per cent of HR managers opine that coaching is used for high business impact+ low talent cost employees followed by low business impact+ low talent cost (28.33 per cent), high business impact+ high talent cost (21.67 per cent) and low business impact+ high talent cost (20.00 per cent).

The results reveal that 30.00 per cent of HR managers opine that succession planning is used for high business impact+ low talent cost employees followed by low business impact+ high talent cost(28.33 per cent), low business impact+ low talent cost(23.33 per cent) and high business impact+ high talent cost(18.34 per cent).

The results imply that 30.00 per cent of HR managers opine that mentoring and buddying is used for low business impact+ high talent cost employees followed by high business impact+ high talent cost and low business impact+ low talent cost(26.67 per cent) and high business impact+ low talent cost(16.66 per cent).

The results show that 28.33 per cent of HR managers opine that cross functional project assignments are used for high business impact+ high talent cost employees followed by high business impact+ low talent cost and low business impact+ high talent cost (26.67 per cent) and low business impact+ low talent cost (18.33 per cent).

The results indicate that 30.00 per cent of HR managers opine that high potential development schemes are used for low business impact+ high talent cost employees followed by high business impact+ low talent cost(28.33 per cent), low business impact+ low talent cost(25.00 per cent) and high business impact+ high talent cost(16.67 per cent).

The results reveal that 33.33 per cent of HR managers opine that graduate development programmes are used for low business impact+ high talent cost employees followed by High Business Impact+ Low Talent Cost(26.67 per cent), Low Business Impact+ High Talent Cost(21.67 per cent) and High Business Impact+ High Talent Cost(18.33 per cent).

The results imply that 33.33 per cent of HR managers opine that courses at external institutions are used for low business impact+ high talent cost employees followed by low business impact+ low talent cost(31.67 per cent), high business impact+ low talent cost(20.00 per cent) and high business impact+ high talent cost(15.00 per cent).

The results show that 31.67 per cent of HR managers opine that internal secondments are used for low business impact+ high talent cost employees followed by high business impact+ high talent cost(25.00 per cent), high business impact+ low talent cost(23.33 per cent) and low business impact+ low talent cost(20.00 per cent).

The results indicate that 33.33 per cent of HR managers opine that assessment centres are used for low business impact+ high talent cost employees followed by high business impact+ low talent cost(25.00 per cent), low business impact+ low talent cost(23.33 per cent) and high business impact+ high talent cost(18.34 per cent).

The results reveal that 35.00 per cent of HR managers opine that 360-degree feedback is used for low business impact+ low talent cost employees followed by high business impact+ low talent cost(23.33 per cent), low business impact+ high talent cost(21.67 per cent)and high business impact+ high talent cost(20.00 per cent).

The results imply that 33.33 per cent of HR managers opine that job rotation and shadowing is used for low business impact+ high talent cost employees followed by low business impact+ low talent cost(26.67 per cent), high business impact+ low talent cost(23.33 per cent) and high business impact+ high talent cost(16.67 per cent).



The results show that 30.00 per cent of HR managers opine that development centers are used for low business impact+ high talent cost employees followed by high business impact+ high talent cost(26.67 per cent), low business impact+ low talent cost(23.33 per cent) and high business impact+ low talent cost(20.00 per cent).

The results indicate that 30.00 per cent of HR managers opine that action learning sets are used for high business impact+ high talent cost employees followed by high business impact+ low talent cost(26.67 per cent), low business impact+ high talent cost(23.33 per cent) and low business impact+ low talent cost(20.00 per cent).

The results reveal that 33.33 per cent of HR managers opine that external secondments are used for high business impact+ high talent cost employees followed by high business impact+ low talent cost(26.67 per cent), low business impact+ high talent cost(21.67 per cent) and low business impact+ low talent cost(18.33 per cent).

3.5. Strategies Adopted for Delivering Talent Management Practices and Talent Management Practices Used for Different Segments of Employees based on Business Impact and Talent Cost

To study the association between strategies adopted for delivering talent management practices and talent management practices used for different segments of employees based on business impact and talent cost, the Chi Square test is applied and the results are presented in Table-5.

Table-5. Strategies Adopted for Delivering Talent Management Practices and Talent Management Practices Used for Different Segments of Employees based on Business Impact and Talent Cost - Chi Square Test

Particulars	df	Chi-Square Value	Sig
Strategies adopted for delivering talent management practices and in house development programmes	3	3.499	.321
Strategies adopted for delivering talent management practices and coaching	3	.913	.822
Strategies adopted for delivering talent management practices and succession planning	3	1.838	.607
Strategies adopted for delivering talent management practices and mentoring and buddying	3	1.980	.577
Strategies adopted for delivering talent management practices and cross functional project assignments	3	2.262	.520
Strategies adopted for delivering talent management practices and high potential development schemes	3	2.628	.453
Strategies adopted for delivering talent management practices and graduate development programmes	3	5.497	.139
Strategies adopted for delivering talent management practices and courses at external institutions	3	3.832	.280
Strategies adopted for delivering talent management practices and internal secondments	3	2.041	.564
Strategies adopted for delivering talent management practices and assessment centres	3	2.303	.512
Strategies adopted for delivering talent management practices and 360-degree feedback	3	.504	.918
Strategies adopted for delivering talent management practices and job rotation and shadowing	3	2.037	.565
Strategies adopted for delivering talent management practices and development centers	3	1.225	.747
Strategies adopted for delivering talent management practices and action learning sets	3	.486	.922
Strategies adopted for delivering talent management practices and external secondments	3	4.276	.233

The Chi-Square values are not statistically significant indicating that there is no significant association between strategies adopted for delivering talent management practices and talent management practices used for different segments of employees based on business impact and talent cost. Hence, the null hypothesis of there is no significant association between



strategies adopted for delivering talent management practices and talent management practices used for different segments of employees based on business impact and talent cost is accepted.

4. Conclusion

The forgoing analysis shows that majority of IT companies adopt inclusive segmentation for delivering talent management practices for their employees. The results indicate that there is no significant difference between strategies adopted for delivering talent management practices and factors affecting employee segmentation. The results imply that there is no significant association between strategies adopted for delivering talent management practices and talent management practices used for different segments of employees based on business impact and talent cost. Therefore, the IT companies must implement strategies related differentiation and cost leadership efficiently to improve their business performance. Besides, IT companies should improve the salary and quality of employees and nature of job and contribution of employees through participatory approach.

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