# COMPETENCY MANAGEMENT AS A TOOL OF TALENT MANAGEMENT – A STUDY IN INDIAN IT ORGANIZATIONS

**DOCTOR OF PHILOSOPHY**

## PINAPATI ANITHA KUMARI



**SCHOOL OF MANAGEMENT STUDIES
UNIVERSITY OF HYDERABAD - 500046
MAY 2011**

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# DECLARATION

I, ANITHA KUMARI PINAPATI, hereby declare that the research embodied in the present thesis titled 'Competence Management as a Tool of Talent Management – A Study of Practices in Indian Organizations' is a bonafide work for the full period prescribed under Ph.D ordinances of the University.

I also declare to the best of my knowledge that no part of this thesis was earlier submitted for the award of research degree to any university or institution.

Place:                                                    ANITHA KUMARI PINAPATI
Date                                                          Regd.No.05MBPH06

# CERTIFICATE

This is to certify that this thesis entitled 'Competence Management as a Tool of Talent Management – A Study of Practices in Indian Organizations' is submitted by Mrs. ANITHA KUMARI PINAPATI, Research Scholar enrolled for Ph.D programme at the School of Management Studies, University of Hyderabad, is the bonafide work done under my supervision and guidance as prescribed under Ph.D ordinances of the University.

This thesis has not been submitted earlier for the award of research degree of any University or institution.

**Research Supervisor**                                        **Dean**

(PROF. SITA VANKA)                              (PROF.V.VENKAT RAMANA)

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# CHAPTER – I

# INTRODUCTION

The contemporary era forces every organization to stay competitive in the globalized world.  The most significant trend is the growing competitive work environment and the manner in which organizations conduct their activities, which will help create and sustain a competitive advantage. These trends and challenges in the business environment necessitate that even greater attention be given to people in an organization.   People are the most valued asset of the organization and they significantly impact the organization transformations. Focusing on the people will ensure their effective utilization, going beyond the scope of the traditional human resource function.  A competent person with the essential competencies is thus the need of the hour. This chapter introduces the concept of competency and competency management, its evolution, its application, models and the importance of competence management for managing talent in the organization is also discussed. In addition, the concept of talent management, its evolution, the need, the models are also discussed in this chapter.

**The Context**

The primary objective for any business is to earn profits and to achieve balanced and sustained growth.  Business organizations are the sources of providing employability to the society at large and contribute to the nation's growth.  The development of an economy is dependent on the development of its people. The contemporary era requires that the economic growth and development be supplemented with all round growth of employees which identifies individuals as a social being with emotions, feelings, attachments, responsibilities, needs, wants etc. This being the key driver for every individual country, efforts are directed towards the creation of conditions in which fast development of productive resources can take place. A shift has taken from manufacturing to services and the developments in the technology have made the human resources as the important feature for the nation's well-being and growth.

Managing a successful business or building up the health of an already established business requires healthy, ongoing leadership and management, planning, product and service development, marketing and financial management. People being the valuable assets of an organization the HR function assumes significance in managing these processes. There is a paradigm shift to align people to the business and hence there is demand to have HR professionals as business partners. The resource, which can manipulate the other resources, is a "Human Resources", for attaining competitive advantage in an organization. Human Resource Management is managing the functions of hiring, developing and compensating human resources for developing the relations and maintaining human resources for achieving the organizations goal. Handling of HR is the critical task of all the tasks in any business. The business understanding of employees has undergone significant changes and is treating people not as a cost centre but as a profit centre. The present HR' duties and roles got elaborated and is responsible for providing able and willing workforce to accomplish organizations goals and also to fulfill the employees social and psychological needs along with social responsibility towards the society. Hr plays the role of a strategic partner, facilitator, policy maker and policy implementer. The Human Resource Management plays a greater role in molding and using the resources. Successful organizations are becoming more adaptable, resilient, quick to change directions, and customer centered. Within this environment HR professional must learn how to manage effectively through planning, organizing, leading and controlling the human resource and be knowledgeable of emerging trends in training and employee development.

Schuler (1990) emphasized that the HR function had an opportunity to shift from being an 'employee advocate' (associated with personnel management) to a 'member of the management team'. Schuler's was of the opinion that HR professionals should be concerned with the bottom line, profits, organizational effectiveness and business survival. In other words, human resource functions and professionals play an important role in any business success. Organizations thus have directed their efforts towards employee development – human resource development as it is termed in HR parlance in a big way.

Employee development is a process that ensures that there is a strategic link that binds the organization's long-term success with its employees' competencies, and their life-career needs and preferences. Cafaro (2001) states that, "many workers are motivated to know exactly where they fit in the company's big picture." And, that fit is defined in competency terms and how well each employee contributes their talents in meaningful ways to the organization's competency pool. Schein (1978) notes that individuals have specific needs and a performance arena where those needs can be met. If those needs are not met in their current work setting (work unit or organization), they will seek another place to drop their anchor. Consequently, it is to an organization's advantage to achieve the greatest alignment possible between their employees' work and life-career preferences and the work that the organization needs to accomplish.

The essential strategic link between organizations and their employees is competency-based employee development. The emphasis is on developing workers' competencies in ways that make a strategic difference for the organization and its workers. The new employee development wave has to focus on shifting from a skill-based focus to competency-based (Cafaro, 2001).

Competency concept is gaining popularity in practice and growth is also seen in the amount of literature on the competency concept (e.g., Bartram, 2005; Boyatzis, 1982; Hamel & Prahalad, 1994). Empirical research on competencies has lagged behind resulting in a gap between practice and science (Lievens, Sanchez, & De Corte, 2004). An attempt is made in the following lines to describe the history and the nature of the concept, the link between competencies and intelligence, personality, behavior, employee effectiveness, application of competencies in practice, competency management and by discussing different ways to implement such an application are reflected.

**Competency**

Competence means a skill and the standard of performance reached (what people can do) and competency refers to the behavior by which it is achieved (how people do it). Competence / competency (Hogg, 1989) relates to the characteristics of a manager that lead to the demonstration of skills and abilities, which result in effective performance

within an occupational area. Competency also embodies the capacity to transfer skills and abilities from one area to another.

George Klemp (1980) defined a job competency as " an underlying characteristic of a person which results in effective and/ or superior performance in a job"(in Boyetzis,1982) .He also noted that "competencies are characteristics that are casually related to the effective or superior performance in a job". Expanding on those definitions, Spencer and Spencer (1993) described a competency as "as an underlying characteristic of an individual that is casually related to criterion-referenced effective and/ or superior performance in a job or situation". They explained that competency characteristics include these five types; motives, traits, self concept knowledge and skill. MCLagan(1989) suggested that a competency is " an area of knowledge or skill that is critical for producing key outputs". She also noted that people may express these capabilities in a "broad, even infinite, array of on-the-job behaviors. Dubois (1993) adapted Boyatzis's (1982) interpretation of the term and defined a competency as an underlying characteristic that leads to successful performance in a life role" This definition varies according to the context of its application and the difference s in procedure and philosophy. Flannery, Hofrichter and Platten (1996) noted competencies "add value and help predict success ". Dubois and Rothwell (2000) described competencies as tools used by workers in a variety of ways to complete units of work, or job tasks.

Spencer and Spencer (1993) in their work Competence at work have defined competency as an underlying characteristic of an individual that is casually related to criterion-referenced effecting superior performance in a job situation.

There are five types of competency characteristics.

- Motives – The things a person consistently thinks about or wants and that which causes action. Motives 'drive, direct or select behaviour towards certain actions or goals and away from others.
- Traits – Physical characteristics and consistent responses to situations or information.

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- Self concept – A person's attitudes, values or self – image.
- Knowledge – Information a person has in specific content areas.
- Skill – The ability to perform a certain physical or mental task.

As seen in the figure 1.1, knowledge and skill competencies tend to be visible and relatively on the 'surface' characteristics of people, Self-concept, trait and motive competencies are more hidden, 'deeper' and central to personalities.

**Figure: 1.1. Iceberg Model**

Visible

Skill Knowledge

Hidden

Self – concept
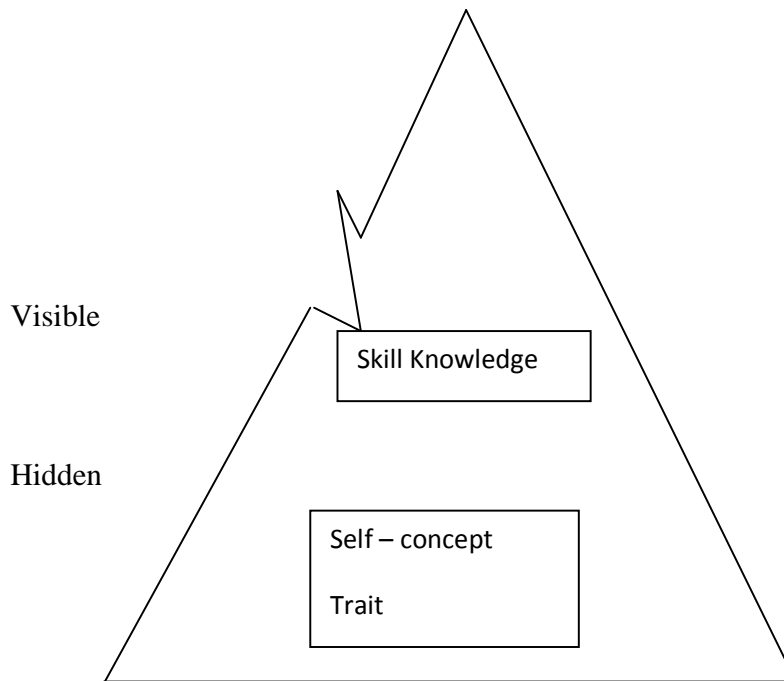
Trait

Figure: 1.2. Surface knowledge and skill competencies are relatively easy to develop**,** training is most effective way to secure these employee abilities. Core motive and trait competencies are at the base of the personality iceberg are more difficult to assess and develop, it is most cost effective to select these characteristics.

**Figure: 1.2. Central and surface Competencies**

Skill

Self-concept

Trait
Motive

Attitudes,
Values

Knowledge

Surface

Most easily

Developed

Care Personality

Most difficult to

Developed
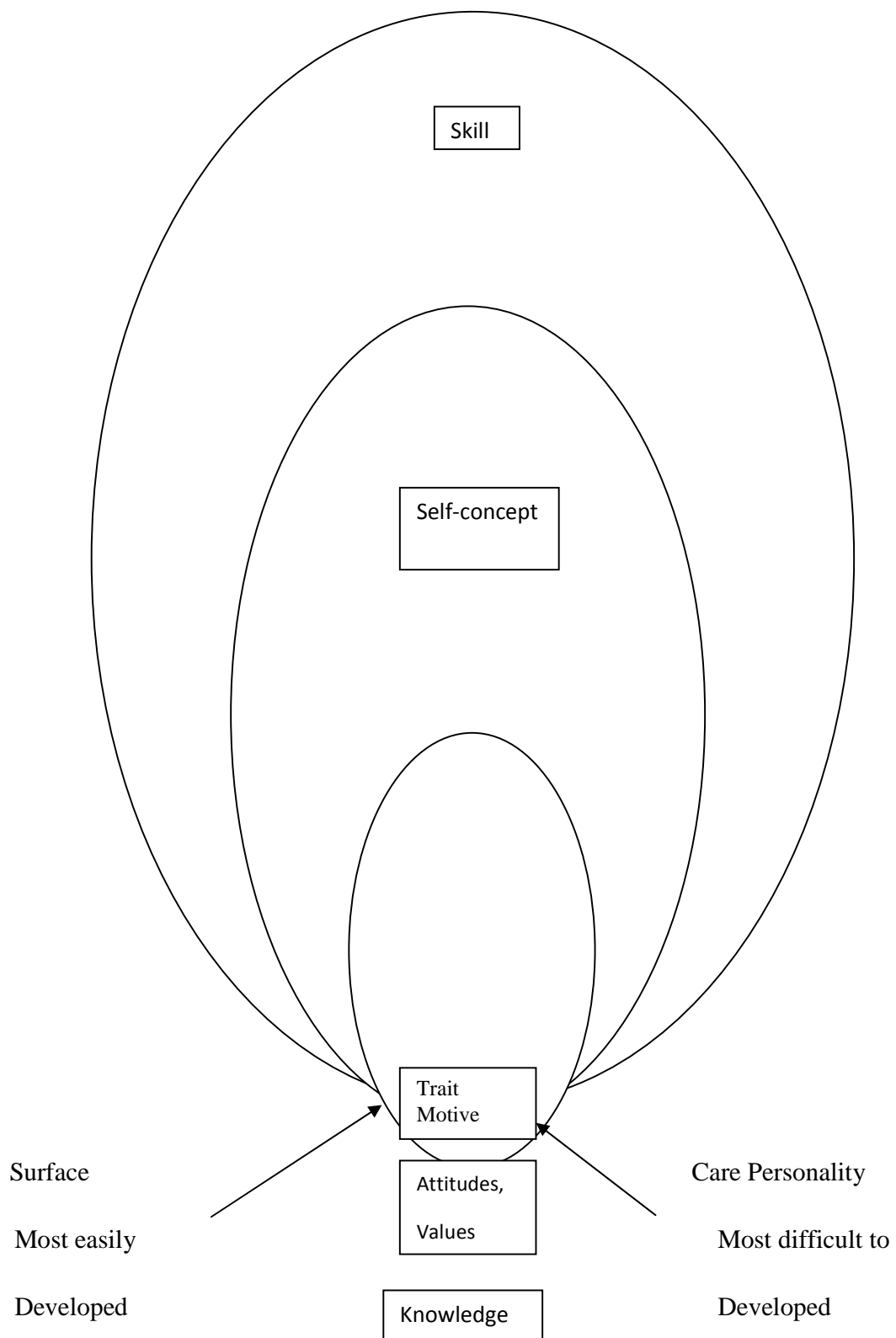
Competencies can be defined as skills, areas of knowledge, attitudes and abilities that distinguish high performers. These are the characteristics that may be easily observable but rather exist under the surface – behavioral questions can help draw out examples of these competencies (fig. 1.3).

**Figure: 1.3. What are Competencies**
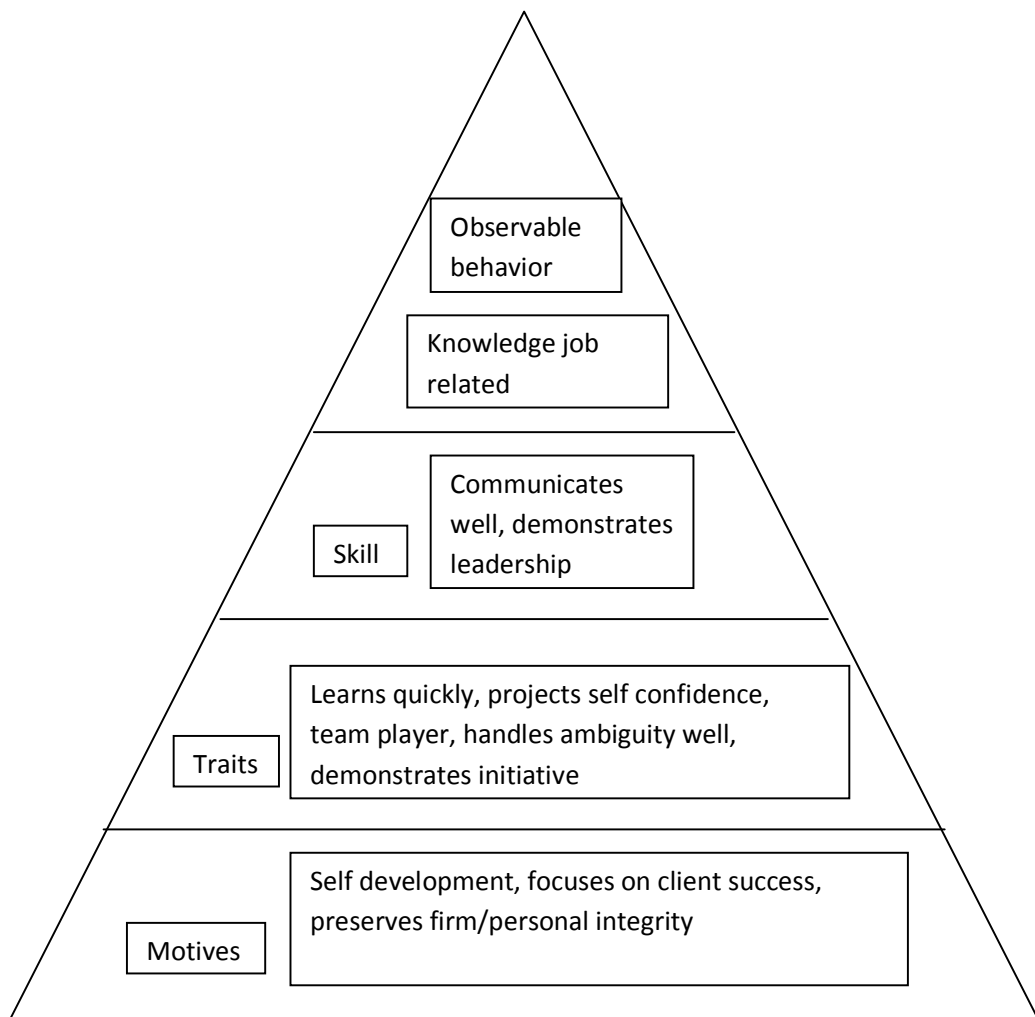
Competencies are components of a job, which are reflected in behavior that are observable in a workplace. The common elements most frequently mentioned are knowledge, skills, abilities, aptitudes, personal suitability, personal suitability behavior and impact on performance at work. There are various definitions with little difference in them. However the common denomination is 'observable behavior' in the work place. The criteria of competency are superior performance and effective performance. Only some competencies can predict performance. Thus the competencies can be divided into two.

- Threshold Competencies - These are the essential characteristics that every One in the job needs to be minimally effective, but this does not distinguish superior from average performers.

- Differentiating Competencies – These factors distinguish superior from average performers.

Gary Hamel and C.K.Prahlad (1994) wrote that 'core competencies transcend any single business event within the organization'. Certain projects are so massive and persuasive that no individual can possess the competencies required to see them through to completion. Therefore, organizations have to identify, develop and manage organizational core competencies that drive large enterprise critical pro. Workplace competencies focus on individuals instead of the organization, and they vary by job positions versus enterprise endeavors. The unit of measure is people rather than the business. There may be core competencies that appear in every competency model position; most work place competencies are typically specific to the position. Thus there is an enormous amount of work to set up organization wide competency based applications. 'Competent 'is when a person is qualified to perform to a requisite standard of the processes of a job. 'Competence' on the other hand means the condition or state of being competent. The difference between the core and workplace competencies is in table 1.1

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**Table 1.1: Core Competencies vs. Workplace Competencies.**

|  | Core | Workplace |
|---|---|---|
| Scope | Organization | Individual |
| Purpose | Strategic | Tactical |
| Participants | Business unit | Worker |
| Tasks | Processes | Activities |
| Competencies | Global | Position |

## History and nature of the Competency concept

McClelland in 1973 first introduced the competency concept. He proposed to test for competencies rather than for intelligence. According to McClelland testing should involve criterion sampling. As he stated, "If you want to test who will be a good doctor, go find out what a doctor does". In other words, testing for competencies would be more related to life outcomes than testing for intelligence. After the publication of McClelland's article numerous authors have shed their light on the competency concept, resulting in lots of different definitions. Boyatzis (1982), for example, defined competencies as "an underlying characteristic of an individual which is causally related to superior performance in a job". According to Boyatzis an individual can use a trait, a motive, a skill, an aspect of one's self image or social role, or a body of knowledge to achieve effective or superior performance. Spencer, McClelland, and Spencer (1992) stated, "Competencies include an intention, action, and outcome". Personal characteristics, such as motives, traits, self-concept, and knowledge, are at the basis of the intention. They combined their ideas in a competency causal flow model. Hoekstra and Van Sluijs (2003) define competencies in terms of expertise and behavioral repertoire.

Expertise is described as the availability of knowledge, experience, and insight necessary given the nature of a problem or task. Behavioral repertoire is described as the availability of behavior, attention, and emotion necessary given the changing context or situation in which a task must be accomplished. Furthermore, according to the aforementioned authors, temperament, intelligence, and personality are considered prerequisites for developing competencies. Kurz and Bartram (2002) view competencies as "repertoires of capabilities, activities processes and responses available that enable a range of work demands to be met more effectively by some people than by others" (p. 230), and not as the behavior or performance itself. On comparing the different definitions it becomes clear that there is no uniform idea with respect to the nature of competencies. Competencies might be a result of knowledge, skills, and abilities. Personality, behavior, and motives might, however, play a role as well. Schippmann et al (2000) subscribe the confusion surrounding the nature of the competency concept, which interviewed subject matter experts and asked them to define competencies. Schippmann et al showed that there was no consensus between the subject matter experts and that competencies were defined using a wide range of characteristics related to the individual. Subject matter experts mentioned for example knowledge, skills, abilities and behavioral capabilities. In line with the findings of Schippmann et al., Morgeson, Delaney-Klinger, Mayfield, Ferrara, and Campion (2004) state, "perhaps one of the most vexing issues involves actually defining a competency". In conclusion, different authors hold different viewpoints and it thus seems unclear what competencies really are. Ambiguity is surrounding the competency concept. Competencies might be based on personality, intelligence, behavior, or other individual characteristics, which helps the individual to perform effectively.

**Competencies and Effectiveness**

Despite the ambiguity surrounding the competency concept, competencies are widely used to match a job and an individual in order to increase employee effectiveness, for example during employee selection. According to Spencer et al. (1992), "The better the fit between the requirements of a job and competencies of a person, the higher will be the person's job performance and job satisfaction". Many different competencies are

identified during the search for competencies responsible for effective performance. This has resulted in many different lists of competencies varying in length and broadness (Hollenbeck et al., 2006). In an attempt to organize the growing amount of different competencies practitioners and scientists started to create competency taxonomies. These taxonomies often contain those competencies that are thought to be necessary to distinguish between effective and ineffective performance.

Most of the work on effective and ineffective performance is done in the managerial or leadership field, starting with Fayol (1916) and Gulick (1937) who identified competencies such as planning and organizing. Many different methodologies, such as questionnaires, interviews, and diaries, were used to study managerial performance (for an overview see Borman & Brush, 1993) resulting in various taxonomies. Examples of such taxonomies are found in the work of Borman and Brush (1993) and Tett, Guterman, Bleier, and Murphy (2000). The taxonomies that are described in their studies contain the competencies that make up the managerial performance domain. As the fact that competencies are couched in terms of production and achievement (e.g., Sparrow & Bognanno, 1993) and that they are often formulated as behavioral indicators, competencies may be considered as prerequisites of effective performance. This makes a direct relationship between competencies and effectiveness conceivable. The relationship between competencies and effectiveness has been empirically verified in several studies (e.g., Posner & Kouzes, 1988; Smither, London, & Reilly, 2005).

However, these studies are mostly indirect and general in nature. For example, based on a literature review, Stogdill (1948) concluded that an average leader distinguishes himself from the average group member, by being for example, sociable, persistent, self-confident, and cooperative. The personal factors that Stogdill wrote about closely resemble the leader practices or competencies distinguished in the empirical study done by Posner and Kouzes (1988). They examined relationships between leader practices and managerial effectiveness in order to establish the validity of a leader practices inventory. Results showed that nearly competency domains explained for 55% of the variance in effectiveness. Hooijberg and Choi (2000) focused on the relationship between leadership roles and effectiveness using the competing values framework of Quinn (1988) and

examined the extent to which raters vary in the leadership roles they associate with effectiveness. Results showed that indeed different raters held different perspectives. For subordinates the broker and goal achievement role are important and peers stress the innovator and facilitator roles. For superiors not only the innovator role is important, they also focus on the goal achievement role when assessing leader effectiveness. It is important to realize that Hooijberg and Choi studied leader roles and, although there seems to be an apparent connection between these roles and competencies, the results of their study do not provide clear insights in the relationship between separate competencies and effectiveness. Even though studies have consistently shown that there are relationships between competencies and effectiveness, none of the studies have given insight in the importance of the separate competencies for the prediction of effectiveness. Due to the relationship between competencies and the effectiveness organizations have started the application of competencies to different functions.

**Competencies and Competency Management**

Competencies and competency taxonomies are the basic components of what is called "competency modeling" or "competency management". Competency management is described as an integrated set of human resource activities aimed at optimizing the development and the use of employee competencies in order to increase individual effectiveness, and, subsequently, to increase organizational effectiveness (Van Beirendonck, 1998). Competency management differs from the more traditional job analysis method. According to Schippmann et al. (2000), "job analysis may be thought of as primarily looking at 'what' is accomplished, and competency modeling focuses more on 'how' objectives are met or how work is accomplished" (p. 713). In line, Kurz and Bartram (2002) state that, "competency profiling differs from job analysis in that the focus of the former is on the desirable and essential behaviors required to perform a job, while the latter focuses on the tasks, roles, and responsibilities associated with a job" (p. 229). Thus, a shift from a task oriented towards a more person-oriented approach is noticeable. Furthermore, in contrast to traditional job analysis, competency management ties the derivation of job specifications to the strategy of the organization. Strategic and no strategic requirements are then used to generate a broadly accepted language that

consists of competencies (Lievens et al., 2004). Thus, by using the same competencies throughout the organization a specific language is created based on which the organization's strategy can be translated into human resource practices.

In sum, competency management deals with managing competencies in order to increase individual effectiveness as well as organizational effectiveness. This can be done in various ways, for example by means of selection and assessment, coaching, individual development, career planning, and/or performance appraisal, making competency management a widely applicable human resource tool. Since competency management is so widely applicable it is not surprising that the competency approach to human resource management has gained rapid popularity over the past decades. Technological change, globalized competition, and an ongoing interest in development fuelled the rise of competency management. Implementing competency management is complicated and it requires congruence with other human resource practices and with organizational structure and strategy (Wright & McMahan, 1992). However, if successfully implemented and well embedded, the use of competency management can bring about a lot of advantages for the organization (e.g., Becker & Huselid, 1999). Competency management provides employer and employee with a common language through the use of competencies and their definitions formulated in terms of overt behavior. As such, it can provide for example clear behavioral guidelines that can in turn be used as a starting point during performance appraisal. Organizations as well as employees can thus benefit from the use of competency management and it therefore seems worthwhile to stimulate the use of competency management throughout the entire organization. A closer look at the expansion of competency management in the course of the past decades reveals shifts from performance oriented towards development oriented approaches and back. The competency movement dates from the late 1960s and early 1970s and has its foundations in the United States of America. Due to the rise of the Human Relations movement the focus on mass production and standardization of work processes was replaced by a focus on employee development and consequently managing employee competencies became an important human resource tool (Van Merriënboer, Van der Klink, & Hendriks, 2002).

**The rise of Competencies**

Past decades evidence competencies as a popular phenomenon in human resource management. McClelland in 1973was the first and proposed to test for competence rather than for intelligence, because testing for competence would be more valid in predicting job performance. Technological change, globalized competition, and the need for a more strategic human resource management fuelled the rise of competencies (e.g., Paulsson, Ivergård, & Hunt, 2005; Sparrow & Bognanno, 1993). Following McClelland, numerous authors have shed their light on the competency concept, creating a whole range of what appeared to be fundamentally different definitions (e.g., Boyatzis, 1982; Ulrich, Brockbank, Yeung, & Lake, 1995). A closer look at the different definitions shows that there is confusion about the constructs that underlie competencies. Competencies are, for example, defined in terms of knowledge, skills, abilities, or personality characteristics. For an overview of different individual characteristics used in competency definitions we refer to Morgeson, Delaney- Klinger, Mayfield, Ferrara, & Campion (2004, p. 676). Spencer, McClelland, and Spencer (1992) distinguish, for example, motives, traits, self-concepts, content knowledge, and cognitive and behavioral skills as the basis of competencies. According to Bartram (2005) and Kurz and Bartram (2002) a competency is a construct that is defined in relation to its significance for performance at work. Thus, they state, "a competency is not the behavior or performance itself, but the repertoire of capabilities, activities, processes and response available that enable a range of work demands to be met more effectively by some people than by others" (Kurz & Bartram, 2002, p. 230). In their opinion, the cluster of characteristics that defines a competency can vary from extensive to limited depending on the competency. It is obvious that the proliferation of definitions causes confusion among practitioners and scientists, and that ambiguity is surrounding the competency concept. Additionally, the scientific community has not been particularly interested in the competency concept. As far as Assessing Competencies we know, only a few studies have investigated the nature of competencies (e.g., Baron, Bartram, & Kurz, 2003; Bartram, 2005) leaving a lot of questions unanswered. Additional empirical research is necessary to provide for a scientific underpinning of the usage of competencies to manage the employees. None of the studies so far has examined competencies for managing the talent of the organizations.

Therefore, the aim of this study is to examine the role of competencies in managing the employees.

**History of Competencies**

In the beginning of twentieth century, work brought complex skills to the job. Typical business processes required specific competencies for the task at hand. These competencies could be acquired only through years of on – the job learning and practice.

Then came the era of scientific management where Frederick taylor's and Henry Ford's use of assembly line shifted competencies from workers to time – and – motion study. Complexity was minimized and efficiency was maximized with the philosophy and in a depression economy, employees had little value. Process expertise left little scope for training. If the worker could not handle the monotony – boredom, physical strain – a large number of applicants were available to fill openings.

Later, in mid century, World War II enforced management – centric views where officers gave orders to subordinates who obeyed the commands without questions. Thus somebody had to run things and only those in command were assumed to have the information, perspective and abilities to make decisions. Thus somebody had to run things and only those in command were assumed to have the information, perspective and abilities to make decisions.

After the war they still lived under a command and control hierarchy. The task broken into smaller tasks was done by specialists. In the post - war decade the demand was unparalleled and competition was little. The turnaround came when in the early - war decade the demand was unparalleled and competition was little. The turnaround came when in the early 1960s. McClelland wrote a landmark article in the American Psychologist asserting that IQ and personality tests that were then in common use were predictors of competency. McClelland felt that companies should hire based upon competencies rather than test scores.

Later McClleland, founder of McBer, a consulting company, was asked by the US Foreign Service (USIA) to develop new methods that could predict human performance.

The objective was o eliminate he potential biases of traditional intelligence and aptitude testing. This was the beginning of the field of competence measurement. The next step was for competency concepts to find their way into mainstream business practices.

McClleland (1973) began by asking the USIA's personnel director and some top managers for the names of people whose jobs were secure but who were in no way outstanding. To differentiate between the two groups, McClelland and his colleague asked fifty four the names of people whose jobs were secure but who were in no way outstanding. To differentiate between the two groups, McClelland and his colleague asked fifty people to describe three incidents where they felt they had outstanding performance and where they felt they had really messed up. To establish clear picture very minute details were asked for what was said, what was done, when and where it all happened, who else was there and so on. These detailed descriptions enabled them to find out a pattern of what competencies the outstanding performers had demonstrated which others had not. Many of the skills that the panel of experts had identified as crucial to job performance turned out to be irrelevant to the everyday duties of the people interviewed by McClelland.

To validate the conclusions about which competencies were necessary McClelland tested them on another group of officers who had been identified as outstanding and a group who fell into the mediocre category outstanding and a group who fell into the mediocre category. Using psychological tests for the key competencies, he found that the officers identified as outstanding consistently performed well on such tests, whereas those rated mediocre performed poorly. Thus it was clear that the key competencies identified were indeed relevant to job performance.

After McClleland article's publication many of the scholars shed their light on the competency concept. Boyatzis (1982) defined competencies as "an underlying characteristic of an individual which is causally related to superior performance in a job". According to Boyatzis an individual can use a trait, a motive, a skill, an aspect of one's self image or social role, or a body of knowledge to achieve effective or superior performance.

Spencer, McClelland, and Spencer (1992) stated that "competencies include an intention, action and outcome" personal characteristics, such as motives, traits, self-concept, and knowledge are at the basis of the intention. They combined their ideas in a competency causal flow model. Hoekstra and Van Sluijs (2003) define competencies in terms of expertise and behavioural repertoire. Expertise is described as the availability of knowledge, experience, and insight necessary given the nature of a problem or task. Behavioral repertoire is described as the availability of behaviour, attention and emotion necessary given the changing context or situation in which a task must be accomplished. Furthermore, according to the afore mentioned authors, temperament, intelligence and personality are considered prerequisites for developing competencies. Kurtz and Bartram (2002) view competencies as repertories of capabilities, activities processes and responses available that enable a range of work demands to be met more effectively by some people than by others, and not as the behavior or performance itself.

These definitions make it clear that there is no uniform idea with respect to the nature of competencies. Competencies are a result of knowledge, skills and abilities, Personality, behavior and motives could however play a role as well. The confusion surrounding the nature of the competency concept is described by Schippmann et al. (2000) who interviewed subject related experts and asked them to define competencies. Schippmann et al, showed that there was no consensus between the subject matter experts and that competencies were defined using a wide range of characteristics related to the individual.

Any underlying characteristic required for performing a given task, activity, or role successfully can be considered as competency. Competency may take the following forms – knowledge, attitude, skill, motives, values, and self-concept. Earlier competencies were grouped into three areas, which were later expanded into the following four;

*Technical:* deals with technology or know – how associated with the function, role, task(also called as functional)

*Managerial / Organizational*: deals with the managerial aspects, organizing, planning, mobilizing resources, monitoring, systems use etc.

*Human / Behavioral*: deals with personal, interpersonal, team related.

*Conceptual / Theoretical*: deals with visualizations, model building etc.

This is a convenience classification and a given competency may fall into one or more areas and may include more than one form.

**Evolution of Competencies In India**

The competency approach has been in India for over two decades now. It began when Indian subsidiaries adopted the practice of their parent MNCs. Today the competency framework and application is a multi – billion-dollar industry. Earlier competencies revolved around the behavioral orientation. Later, the IT industry and the UK education system's, National Vocational Standards moved it towards knowledge and skills standards beyond the behavioral aspects. Competency models in India are now spread between knowledge, skills and behavior. In India the model took momentum due to various reasons, the outcomes of a contemporary framework by consulting firms to the questions that HR professionals were grappling with, like – how to assess people, how do we develop people and do this in a business relevant yet individual oriented way? There was also peer pressure emanating from "benchmarking". Competency has huge potency provided companies can manage this well and extract maximum value out of it.

**Competencies and Dimensions**

Competencies are widely used to match a job and an individual, for example during employee selection. As Spencer et al. (1992) stated: "The better the fit between the requirements of a job and competencies of a person, the higher will be the person's job performance and job satisfaction" (p. 27). One thing that different authors agree on is the fact that competencies focus on output, and that they are couched in terms of production and achievement (e.g., Sparrow & Bognanno, 1993). As a result, competencies are often formulated in terms of behavior. Due to the emphasis on behavior, competencies can be easily used to create a wide range of assessment tools providing for agreed standards and

a realistic job preview (Feltham, 1992). In an attempt to label behavioral indicators into meaningful titles, practitioners and scientists formulated numerous competencies, such as decision making, sociability, customer focus and so on. In practice, the multitude of competencies made assessment, career planning, and employee development and so forth complex and almost unfeasible. As a consequence, practitioners and scientists started to create competency taxonomies to organize the growing amount of competencies. Those taxonomies often contain constructs that make up the managerial job performance domain (e.g., Conway, 2000; Tett, Guterman, Bleier, & Murphy, 2000). In line with Ones and Viswesvaran (1996), it was argued that the use of more general dimensions provides convenient frameworks for research. Furthermore, based on assessment center research, it can be concluded that individuals are not capable of rating a large number of dimensions, and that individuals, to compensate for cognitive overload, reduce the number of dimensions during the rating process (e.g., Sagie & Magnezy, 1997; Shore, Thornton, & MacFarlane Shore, 1990). Previous research pointed out that a reduction in the number of dimensions caused, for example, an increase in dimension variance (Lievens & Conway, 2001), and a more accurate classification of behaviors (Gaugler & Thornton, 1989).

**Table 1.2: Categorization of Competencies**

| *Thinking* | *Feeling* | *Power* |
|---|---|---|
| Analytical ability - The ability to distinguish between primary and secondary issues, to divide a problem into its component parts and to establish logical links between the parts | Empathy - The ability to view matters from others' perspectives, to show concern for the welfare of others, and to demonstrate sensitivity Initiative The ability to take matters in his/her own hands, to identify opportunities, and to take appropriate actions | Initiative<br><br>The ability to take matters in his/her own hands, to<br><br>identify opportunities, and to take appropriate actions<br><br>Planning |
| Planning - The ability to create a time schedule and/or to establish priorities within one's own work or that of others | Customer orientation<br><br>The ability to think and act in the best interest of the | Direction - The ability to specify to subordinates what needs to be done, and to manage and monitor |

| | | |
|---|---|---|
| Customer orientation The ability to think and act in the best interest of the client or customer | client or customer | processes |
| Judgment<br><br>The ability to make an adequate judgment based on the<br><br>analysis of a given situation and the information<br><br>available | Sociability<br><br>The ability initiate and maintain new contacts | Result orientation<br><br>The ability to set and to accomplish concrete goals |
| Inventiveness<br><br>The ability to generate different, sometimes<br><br>unconventional, ideas and solutions | Cooperation<br><br>The ability to accomplish goals through constructive<br><br>collaboration with others, both within and outside the<br><br>organization | Persuasion<br><br>The ability to exert influence over people and situations<br><br>based on personal conviction and authority by gaining<br><br>acceptance and overcoming resistance |
| Acuity of understanding<br><br>The ability to process new information and to adjust to<br><br>unfamiliar situations or circumstances quickly | Coaching<br><br>The ability to support and advice others with respect to<br><br>work-related activities and personal development | Risk awareness and acceptance<br><br>The ability to take a chance or personal risk |
| Vision<br><br>The ability to approach matters with a broader<br><br>perspective, to | Relationship management<br><br>The ability to establish and maintain relationships with<br><br>clients and other (business) | Decisiveness<br><br>The ability to make tough decisions whenever required, |

| | | |
|---|---|---|
| demonstrate conceptual and policy related long term thinking | contacts | to act firm in order to contribute to clarity |
| Organizational awareness The ability to observe and understand organizational processes and organizational culture, to know how the organization works | | Stress resistance The ability to work under pressure, to deal effectively with job related stress and the causes |
| | | Responsibility The ability to accept accountability for own and others' actions |

Source. Kolk, Born, & Van der Flier (2004).

The work of Kolk, Born, and Van der Flier (2004), which studied the construct validity of assessment center exercises, and concluded that each exercise tapped three dimensions. Kolk et al. regarded the dimensions as category labels for clusters of competencies and named them the Thinking, Feeling, and Power dimensions. According to Kolk et al. the origins of these three dimensions can, for example, be found in the work of Plato who, in *The Republic*, distinguished between the faculties of knowing, feeling, and volition. Furthermore, similar dimensions are reported in research on leadership and personality (Yukl, 2005; Zand, 1997). In the competency dimension Feeling social relations are the central aspect. The dimension Feeling is based on competencies such as empathy, cooperation, and customer orientation. The competency dimension Power contains competencies concerning action related issues, such as persuasion, risk awareness and acceptance, and decisiveness. An overview of competency dimensions, competencies, and their behavioral anchors is given in Table 1.2.

**The Competency Concept in Practice**

As competencies are widely applied and they contribute to the prediction of effectiveness, thus it is important to study competency applications in practice. For that reason, in this empirical study, focus was on one of the most well known competency applications, namely competency management. Competency management is an integrated set of human resource activities aimed at optimizing the development and the use of employee competencies in order to increase individual effectiveness. Subsequently, an increase in individual effectiveness is expected to contribute to the realization of organizational goals and to organizational effectiveness (e.g., Van Beirendonck, 1998). Competency management can bring about many advantages for the organization (Becker & Huselid, 1999; Heinsman, Koopman, & Van Muijen, 2005). Whether or not an organization can profit from these advantages is dependent upon the way competency management is implemented. If competency management is implemented bottom-up, it has a more positive effect on employee attitude and perceived behavioral control than the control approach, in which competency management is implemented more top-down. A commitment approach, characterized by involvement and participation throughout the organization, thus not only results in a more favorable attitude towards competency management but also increases employees' feelings of behavioral control. The results showed that attitude and perceived behavior control the relationship between the commitment approach and the use of competency management. In other words, as commitment approach increases a positive attitude and feelings of control, the use of competency management by employees is increasing. Contrary to the expectations, competency management was not found to be used more frequently; competency management should be implemented with commitment as opposed to the control approach. There are concepts other than attitude and perceived behavioral control that influence the relationships between the commitment and control approaches and the use of competency management. Trust, fairness, and justice are, a few examples, that are known to influence outcomes relevant to organizations, such as performance, organizational citizenship behavior, and organizational commitment (e.g., Dirks & Ferrin, 2002; Tyler, 1999). In addition, previous research has established relationships between commitment and control, and trust, fairness, and justice. To some researchers trust can be

considered a substitute to control (e.g., Bijlsma & Van de Bunt, 2003). That is, the higher the degree of trust in a certain relationship, the lower the costs of control mechanisms, such as monitoring (e.g., Cummings & Bromiley, 1996). Others consider trust and control to be parallel concepts and suggest that trust levels moderate the effect of control mechanisms in determining the control level (e.g., Das & Teng, 1998).

**Competencies for Competitive Advantage**

Philip Selgnick, in his book "Leadership in administration" was one of the first writers to acknowledge that factors internal to an organization, such as its personnel and its previous experiences, are crucial to its chances of success in executing a chosen policy. In essence in the field of business activity, the past determines the present. Selgnick said that an organization's developmental history results in its having special limitations and capabilities – a character or emergent institutional pattern that decisively affects the competence of an organization to frame and execute derived policies. He called the peculiar character of an organization is its distinctive competence. The art of good management is the ability to make a practical assessment of organizations suitability to its task or strategy. Strategy formulation and opportunity surveillance are useless exercises unless the company has the internal abilities to execute its decision. Competence, both generic and specific, plays an important role in the success of an organization. Competencies are organizations most important resources, because they are valuable, rare and difficult to initiate. Organizations can capitalize on this resource. Thus, it is very essential for organizations, especially the HR to have a thorough understanding on the competency as a concept, identification, its application, the advantages and the issues related to its management.

**Competency Measurement Methods**

A competency may be demonstrated in many ways. One method of identifying the typical ways that competencies are demonstrated is to identify the behaviors or tangible results (outcomes) produced by their use in the context of the work performed. A behavior is an observable action that is taken to achieve results or that contributes to an accomplishment. Green (1999) defined behavior as an action that can be observed,

described, and verified. Competencies could be measured by using behavioral indicators. A behavioral indicator is a statement of an action, or set of actions, that one would expect to observe when a person successfully uses a competency to perform work. Its time that the organizations place high importance and provide resources and its support on competence management practices to face the contemporary challenges.

## Competency Management

Competency Management is defined to encompass all instruments and methods used in an organization to systematically assess current and future competencies required for the work to be performed, and to assess available competencies of the workforce. Competencies are defined as the cognitive (e.g. knowledge and skills), affective (e.g. attitudes and values), behavioural and motivational (e.g. motives) characteristics or dispositions of a person, which enable him or her to perform well in a specific situation (e.g. Boyatzis, 1982; Erpenbeck & Rosenstiel, 2003).


Competency Management is the efforts of companies to create a setting for the empowerment of their workforce in order to increase competitive advantage, innovation and effectiveness (Houtzagers, 1999). Competencies improve the organization's level of performance and the creation of a competitive advantage. The capacity and motivation of the individual employees are essential in achieving an improved level of performance, provided, that is, the capacity and motivation offer support to the organization's strategic line. In competence-based organizations, it is necessary not only to pay attention to identifying and developing individual competences, but also to take personal competences as well as the organization's core competences as the starting-point in recruitment, selection, appraisal, remuneration and the career policy. The businesses and jobs in the contemporary organizations are highly volatile and competitive in nature. The wider and global markets, the liberalization policies of the governments, rise of MNC have thus furthered the competition for skilled and effective staff. Creation and preservation of knowledge has become a key tool in accelerating competitiveness and enhancing organizational capabilities to respond to market changes (Bryan, 2004) where in employee's skills and personalities should be appropriately deployed to optimize

performance, is a critical and difficult task. Furthermore, identifying and developing executives who have leadership potential, like every other vital strategic function, is a demanding process that is equal parts of arts and science (Judy Klein and Stephen A. Miles, 2003) Talent of key employees is critical to achieve the success in long term by any organization.

Competencies and competency taxonomies are the basic components of what is called competency modeling or competency management. Competency management is described as an integrated set of human resource activities aimed at optimizing the development and the use of employee competencies in order to increase individual effectiveness and subsequently to increase organizational effectiveness (Van Beirendonck, 1998). Competency management differs from the more traditional job analysis method. According to Schippmann et al. (2000), "job analysis may be thought as primarily looking at what is accomplished, and competency modeling focuses more on how objectives are met or how work is accomplished". Kurz and Bartram (2002) state that, competency profiling differs from job analysis in that the focus of the former is on the desirable and essential behaviors required to perform a job, while the later focuses on the tasks, roles, and responsibilities associated with a job. Thus a shift from a task oriented towards a more person-oriented approach is noticeable. In contrast to traditional job analysis, competency management ties the derivation of job specifications to the strategy of the organization. Strategic and non-strategic requirements are then used to generate a broadly accepted language that consists of competencies (Lievns et al., 2004). In sum competency management deals with managing competencies in order to increase individual effectiveness as well as organizational effectiveness. This can be done in various ways, by means of selection and assessment, coaching individual development, career planning, and performance appraisal, making competency management a widely applicable human resource tool.

Competency management is widely applicable. It is not surprising that the competency approach to human resource management has gained rapid popularity over the past decades. Technological change, globalized competition and an ongoing interest in development fuelled the rise of competency management. Implementing competency

management is complicated and it requires congruence with other human resource practices and with organizational structure and strategy Wright & McMahan (1992), if successfully implemented and well embedded the use of competency management can bring about a lot of advantages for the organization Becker & Huselid (1999). Competency management provides employer and employee with a common language through the use of competencies and their definitions formulated in terms of overt behavior. Organizations as well as employees can thus benefit by the use of competency management and it therefore seems worthwhile to stimulate the use of competency management throughout the entire organizations. A shift in competency management from performance oriented towards development oriented approaches and back is thus taking place. The competency management dates from 1960's and early 1970's and has its foundations in the United States of America. Rise of human relations movement, has lead to the focus on employee development and consequently. Due to the rise of human relations movement the focus on mass production and standardization of work processes was replaced by a focus on employee development and consequently managing employee competencies became an important human resource tool (Van Merrienboer, Van der Klink and Hendriks, 2002)

In Netherlands the interest in competency management has developed after the publication of Prahlad and Hamel (1990) on core competencies of organizations. The following years the Dutch economy slowly changed into a knowledge economy and employee development became increasingly important. In dealing with a tight labor market it appeared essential to retain and commit employees. Competency management became a helpful human resource tool for managers in achieving such loyalty. Organizations had to cope with economic downfall and therefore direct labor costs had to be reduced in order to increase organizational effectiveness. The primary interest was no longer on developing, committing and maintaining individual employees. On the contrary, increasing performance standards and maintain wages became organizations top priority contrary, increasing performance standards and maintain wages became organizations top priority. Consequently competency management was increasingly used for performance appraisal and selection purposes. Competency management was used to control workforce instead of to develop the workforce. As the economy is improving

competency management is used more and more for employed development, coaching and career management.

Two distinct approaches to HRM in general or to competency management in particular were identified the commitment and the control approach. The commitment approach represents a more soft approach towards human resources Boselie, Paauwe & den Hartog (2004). And is characterized by viewing workers as means rather than objects, and by winning hearts and minds, Guest (1999) autonomy, involvement and trust are key autonomy, involvement and trust are key words (Bijlsma, 2003 & Koopman, 1991). Thus, employees are motivated through personal development (Bach, 2000) Jobs are further defined, hierarchy is minimized and control and coordination depend on shared goals rather than on formal positions.

The control approach has its origins in Scientific Management (Taylor, 1911) and is characterized by the wish to exercise control, establish order, reduce labor costs and achieve competitive advantage by increasing market share Arthur (1994), Truss Gratton, Hope Hailey, McGovern & Stiles (1997), Walton (1985) also supported Taylor for increasing the market share. Employees are motivated by extrinsic rewards that depend on measurable output criteria (Walton, 1985). They are not allowed to participate in decision-making. As such there is no doubt that the steering wheel is in hands of management since almost all decisions are made top down (Koopman, 1991).

The commitment and the control approaches have been an important topic in human resource literature. Researchers have been focusing primarily on the relations between both approaches and organizational or individual performance (Boselie et al., 2004, Huselid, 1995 and Truss et al., (1997). It is argued and empirically verified that the commitment approach brings about more positive outcomes, such as higher organizational performance and lower turnover, than the control approach. Present the interest is in the effects of HRM on employee attitude and behavior moreover several authors have emphasized the need to study the impact of human resource practices upon the recipients of these practices more closely. Aurther (1994), Storey (1989) and Guest (1999) made a first attempt to actually study the way employees view human resources

initiatives. He suggested the impact of human resource practices on employee's performance depends on their perception and evaluation of these practices.

**Competency Based HR functions**.

The first consideration is for HR practitioners. A brief on competency identification, modeling and assessment along with guidance is needed. Recognizing the possible benefits of a competency based HR function for the organization and to themselves, they will lend their support to exploring and advocating such a transformation.

Two things that need to be considered in transforming the HR function are first, HR practitioners themselves are often the most vocal opponents of changing the systems in their own organization. Second, transforming HR from a work based to a competency-based approach does not have to be an all or nothing proposition. HR practitioners may need to consider which functional areas will benefit mostly first, HR practitioners themselves are often the most vocal opponents of changing the systems in their own organization. Second, transforming HR from a work based to a competency-based approach does not have to be an all or nothing proposition. HR practitioners may need to consider which functional areas will benefit mostly from the use of competency based practices and they should choose according to the strategic significance for organizations success.

**Transforming the HR department**

For transforming the HR department the following 11-step procedure needs to be considered

1. Build awareness – Most of the HR practitioners are aware of the traditional work based approach to HR management, very few practitioners are familiar with the history and techniques of competency identification, modeling and assessment. They should circulate white papers, explore the topic in department staff meetings, collect information about the benefits in using a competency based approach to HR and encourage other stakeholders to read about competency modeling.

2. Make the business case and align HR objectives with the organizations strategic objectives – before decision makers can be convinced to invest sizable amounts of time, money and effort in adopting competency based HR management and should see its value. It is easier to understand the business case when they see evidence of what is going well and not going well with organizations approach to managing human resources. One way to do that is to ask managers and employees about the HR function. Questions could be asked regarding HR function such as

   a) What is the organization doing particularly well in managing its human resources.

   b) What could the organization do to improve its management of human resources?

   c) If you could magically transform the organizations HR efforts into something that meets If you could magically transform the organizations HR efforts into something that meets our expectations and supports organizations strategic objectives, what would you change and why?

Thus the information gained through these questions will provide excellent feedback on HR efforts.

3. Select the HR functions that are to become competency based.

Large complex organizations are unable to implement competency based HR management in every HR function. It is essential to be selective and apply change efforts on a smaller scale.

4. Find a change champion.

The support of senior executives is important, HR practitioners should seize the initiative in reinventing their own function. They are perhaps the ones most able to recognize the signs that a department needs to be revitalized.

5. Build ownership for the change efforts.

Transforming HR management to a competency-based approach requires the support of many people. Senior executives, Hr practitioners, operating managers, and workers must

all feel that they own the effort. The whole system transformation is one method of developing ownership. By evaluating the existing HR function and identify the challenges involved in aligning HR practices with the organizations strategic objectives.

6. Devise a communication strategy to support the effort. Thus constant communication is essential. Stakeholders must be informed about what is happening, why it is important, what it means, how it will affect them, and what the organization will gain from it. Communication ensures continued involvement and develops ownership in the change effort.

7. Develop a competency model for HR practitioners, managers and workers.

8. Educate HR practitioners, operating managers and workers about their roles in the competency based process.

Ask all key stakeholders to consider the effects of a competency based approach on the roles, competencies and work outputs or results expected of HR practitioners, operating managers and workers.

9. Plan a pilot project

10. Implement the pilot project

11. Continuously evaluate pilot project results and make revisions as necessary.

Continuing evaluation is also helpful in keeping the project on track.

Thus the organizations need to have its own competence models for developing the employees and also for the systems change in the long run to face the competition.

**Models on Competence Management-**

1. LIS Professionals Skills development integrated Model for education sector is very elaborate and can be modified and used for other sectors also.

**Figure 1.4 : LIS Professionals Skill Development integrated Model**

Previous factors  Role dynamics  Mediator factors  1st level Individual Effects  Career development  2nd level individual effects

Cognitive competence (knowing in action) learned

Environment(workplace & LIS roles) members & stakeholders

Personal characteristic and past performance

LIS social image

Skill perc

Perception of

values

Organization characteristics

Role objectives(who, when, whom and how)

Performance evaluation

Professional identity: competence profile

Outcome expectations

Academic goals

Professional

Competencies development priorities

Competence

Training/action/coaching/validation: Skills identification

Key experiences: work learning cycles

Identify learning cycles productivity efficiency

**Learning transfer** social/organizational employability

Real behavior in work context motivation

Outputs: individuals/organizational **Research Issues**

LIS Euro – Guide Competences

Observed/ perceptional results(self image & external image)

Professional certification level - 3

Higher education courses: modularization, application orientation practitioner teachers & quality assurance

This LIS Professionals Skill Development integrated Model is based on two types of professional strategies:

- Battles in frontier terrains - because surprisingly little appears to be known about how Portuguese LIS academia manages innovation processes and more over which is the role of professional associations in this context.

- Battles in the core of the profession – because most of the evidence on skills and professionalism development relates differences in the profession identity. There is a need, therefore, to explore the relationship between skills and academia innovation.

In analyzing the relationships between skills development models and further career Griffin, Zwell ad Cripe & Mansfield developed a model of possible determinants and factors of role dynamics, individual effects and career development. The dimensions chosen as possible predictors of successful skills development were:

– Cognitive competences

– Environment (workplace and LIS roles), members and stakeholders

– Personal characteristics and past performance

– LIS social image

– Role perceptions: skills perception and perception of role

– Organizational characteristics

– Role objectives

– Performance evaluation

– Professional identity and competence profile

On this basis, individual effects are analyzed at two levels related to career development:

*1st level*

– Outcomes expectations

– Academic goals

– Professional values

*2nd level*

– Identity learning cycles

– Productivity

– Efficiency

– Learning transfer

– Employability

– Real behavior in work context

– Motivation

These two levels in some situations impact career development:

– Competence's development priorities and individual competence portfolio

– Training / action/Coaching/validation: skills identification

– Key experiences: work-learning cycles

This model design allowed analyzing outputs at individual and organizational levels as emerging research issues with implications on LIS courses and professional certification. They represent potentially new interests and needs about research based continuous education and can imply changes in curricula and positions defined for the entire sector, where we are considering LIS image.

This framework for analysis is a useful place to start to get to grips with a whole range of important questions related to the identification of existing needs that are not covered in segmented models.

## 2. Emotional Competence Model

"A learned capability based on emotional intelligence that results in outstanding performance at work. Our emotional intelligence determines our potential for learning the practical skills based on the five elements: self-awareness, motivation, self-regulation, empathy, and adeptness in relationships. Our emotional competence shows how much of that potential we have translated into on-the-job capabilities." (Goleman, Working with Emotional Intelligence)

The table below lists Golemans' 5 dimensions of emotional intelligence and the 25 emotional competencies.

The emotional intelligence capabilities are Independent (each contributes to job performance); Interdependent (each draws to some extent on certain others with strong interactions); Hierarchical (the emotional intelligence capabilities build upon one another); Necessary, but not sufficient (having an emotional intelligence doesn't guarantee the competencies will be demonstrated); Generic (different jobs make differing competence demands.

**Table 1.3: The Emotional Competence Framework**

| Personal Competence | |
|---|---|
| SELF-AWARENESS | **Emotional Awareness**: recognizing one's emotions and their effect |
| | **Accurate Self-assessment**: knowing one's strengths and limits |
| | **Self-confidence**: A strong sense of one's self-worth and capabilities |
| SELF-REGULATION | **Self-control:** Keeping disruptive emotions and impulses in check |
| | **Trustworthiness**: Maintaining standards of honesty and integrity |
| | **Conscientiousness**: Taking responsibility |

| | for personal performance |
|---|---|
| | **Adaptability**: Flexibility in handling change |
| | **Innovation**: Being comfortable with novel ideas, approaches and new information |
| MOTIVATION | **Achievement drive**: Striving to improve or meet a standard of excellence |
| | **Commitment**: Aligning with the goals of the group or organization |
| | **Initiative**: Readiness to act on opportunities |
| | **Optimism**: Persistence in pursuing goals despite obstacles and setbacks |
| **Social Competence** | |
| EMPATHY | **Understanding others**: sensing others' feelings and perspectives, taking an active interest in their concerns |
| | **Developing others**: Sensing others development needs and bolstering their abilities |
| | **Service orientation**: Anticipating, recognizing, and meeting customers' needs |
| | **Leveraging diversity**: Cultivating opportunities through different kinds of people |
| | **Political Awareness**: Reading a group's emotional currents and power relationships |

**PERSONAL COMPETENCE**

SELF-AWARENESS - Emotional Awareness- People with this competence: Know which emotions they are feeling and why realize the links between their feelings and what they think and say, recognize how their feelings affect their performance, have a guiding awareness of their values and goals.

Accurate Self – Assessment – People with this competence are aware of their strengths and weaknesses, reflective learning from experience, open to candid feedback, new perspectives, continuous learning and self-development.

BLIND SPOTS: Blind Ambition-need to win or be right at any cost Unrealistic Goals- sets overly ambitious, unattainable goals for group Relentless Striving- compulsively hardworking at expense of all else, vulnerable to burnout.

Drives Others-pushes others too hard, takes over instead of delegating Power Hungry- seeks power for own reason rather than for company Insatiable need for recognition- addicted to glory-takes credit for others work and blames them for mistakes, preoccupation with appearance needs to look good at all costs – craves material tapings. Need to seem perfect – enraged by or rejects criticism, can't admit mistakes.

Self Confidence - People with this competence: Present themselves with self-assurance; have "presence" Can voice views that are unpopular and go out on a limb for what is right are decisive, able to make sound decisions despite uncertainties and pressures

SELF-REGULATION - Self-control - People with this competency: Manage their impulsive feelings and distressing emotions well Stay composed, positive and unflappable even in trying moments Think clearly and stay focused under pressure

Trustworthiness and conscientiousness - People with this competency: Trustworthiness-Act ethically and are above reproach Build trust through their reliability and authenticity Admit their own mistakes and confront unethical actions in others take tough, principled stands even if they are unpopular.

Conscientiousness - Meet commitments and keep promises: Hold themselves accountable for meeting their objectives Are organized and careful in their work.

Innovation and Adaptability - People with this competency: Innovation - Seek out fresh ideas from a wide variety of sources entertain original solutions to problems, generate new ideas, take fresh perspectives and risks in their thinking.

Adaptability - Smoothly handle multiple demands, shifting priorities, and rapid change Adapt their responses and tactics to fit fluid circumstances are flexible in how they see events

MOTIVATION - Achievement Drive - People with this competency: Are results-oriented, with a high drive to meet their objectives and standards, set challenging goals and take calculated risks, pursue information to reduce uncertainty and find ways to do things better, learn how to improve their performance.

Commitment - People with this competency: Readily make sacrifices to meet a larger organizational goal, find a sense of purpose in the larger mission, use the group's core values in making decisions and clarifying choices, actively seek out opportunities to fulfill the group's mission.

Initiative and Optimism - People with this competency: Initiative: Are ready to seize opportunities, pursue goals beyond what's required or expected of them, cut through red tape and bend the rules when necessary to get the job done, mobilize others through unusual, enterprising efforts, optimism: Persist in seeking goals despite obstacles and setbacks, operate from hope of success rather than fear of failure, see setbacks as due to manageable circumstance rather than personal flaw.

**SOCIAL COMPETENCE -** EMPATHY - Understanding Others - People with this competency: Are attentive to emotional cues and listen well, show sensitivity and understand others' perspectives, help out based on understanding other people's needs and feelings.

Developing Others - People with this competency: Acknowledge and reward people's strengths and accomplishments, offer useful feedback and identify people's needs for

further growth, mentor, give timely coaching, and offer assignments that challenge and foster a person's skills.

Service Orientation - People with this competency: Understand customers/clients needs and math them to services of products, seek ways to increase customers' satisfaction and loyalty, gladly offer appropriate assistance, grasp a customer's perspective, acting as a trusted advisor.

Leveraging Diversity - People with this competency: Respect and relate well to people from varied backgrounds, understand diverse worldviews and are sensitive to group differences, see diversity as opportunity, creating an environment where diverse people can thrive, challenge bias and intolerance

Political Awareness - People with this competency: Accurately read key power relationships, detect crucial social networks, understand the forces that shape views and actions of clients, customers, or competitors, accurately read organizational and external realities.

SOCIAL SKILLS - Winning people over - People with this competence: Fine-tune presentations to appeal to the listener, use complex strategies like indirect influence to build consensus and support, orchestrate dramatic events to effectively make a point.

Communication - People with this competence: Are effective in give-and-take, registering emotional cues in attuning their message, deal with difficult issues straightforwardly, listen well, seek mutual understanding, and welcome sharing of information fully, foster open communication and stay receptive to bad news as well as good.

Conflict Management - People with this competency: Handle difficult people and tense situations with diplomacy and tact, spot potential conflict, bring disagreements into the open and help to de-escalate, encourage debate and open discussion, orchestrate win-win solutions

Leadership - People with this competency: Articulate and arouse enthusiasm for a shared vision and mission, step forward to lead as needed, regardless of position, guide the performance of others while holding them accountable, lead by example.

Change Catalyst - People with this competency: Recognize the need to change and remove barriers, challenge the status quo to acknowledge the need for change, champion the change and enlist others in its pursuit, model the change expected of others.

Building Bonds - People with this competency: Cultivate and maintain extensive informal networks, seek out relationships that are mutually beneficial, build rapport and keep others in the loop, make and maintain personal friendships among work associates

Collaboration and Cooperation - People with this competency: Balance a focus on task with attention to relationships, collaborate, sharing plans, information and resources, promote a friendly, cooperative climate, spot and nurture opportunities for collaboration.

Team Capabilities - People with this competency: Model team qualities like respect, helpfulness, and cooperation, draw all members into active and enthusiastic participation, build team identity, esprit de corps, and commitment, Protect the group and its reputation, share credit.

**Talent Management**

*The term talent management* is being used to describe sound and integrated human resource practices with the objectives of attracting and retaining the right individuals for the right positions, at the right time. People run organizations, and the talent of these people will determine the success of organizations. So, talent management is management main priority (Michaels, Hansfield – jones, H.& Axelrod, 2002).

Talent management, also known as Human Capital Management, is the process of recruiting, managing, assessing, developing, and maintaining an organizations most important resource – i.e. its people (Bhatla, 2007). Talent management initiatives must involve dialogue and engagement with business in order to hire, retain and develop the talent that is needed to achieve the business goals (HR Focus, 2008). 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.

Talent Management refers to identifying the employee talent and utilizing it effectively and retaining the same talent to compete with similar organizations. Talent has become competitive advantage for organizations and individuals. New value systems will converge and reinforce each other, creating a company capable of winning big (Christonel, 2002). Talent management is a collection of human resource functions and practices. This includes recruitment, selection, development and succession planning Byham (2001), Heinen & O'Neill (2004), Olsen (2000).

Jackson and Schuler (1990) define is as an architecture where a set of processes are designed to ensure there are an adequate number of employees for jobs within an organization. It is having the right resource available at the right time for the right jobs (Kesler, 2002). Many organizations consider talent management as an overarching recruitment tool that utilizes *technology to assist in identifying the resources.*

**Need for Talent Management**

Organizations worldwide spent a huge amount for hiring developing and retaining the employees and are still facing the problems in hiring the talent, developing the talent and retaining the talent.

**Emergence of Talent Management**

The term talent management did not emerge until the late 1990's and was popularised by a study completed by researchers within Mckinsey & company. The study revealed that it was not "best" practices that distinguished high performing companies but it was a pervasive talent management mindset (Michaels, Hansfield – Jones, & Axelrod, 2001). The competitive advantage for organizations comes from having superior talent and managing it appropriately. Michaels, Hansfield – Jones, & Axelrod (2001) found that on

average companies that did a better job of attracting, developing and retraining talented employees earned twenty two percentage points higher return to shareholders.

Organizations have strived for centuries to find the best talent. The East India Company, founded in 1600, used competitive examinations to recruit alpha minds. Schein developed the concept of career anchors in 1978 Schein(1978). Career anchors evolved over time in one's personal and occupational experiences. It is defined, as the thing a person would not give up if forced to make a choice. It organizes and constrains career decisions. A career anchor has three components 1) self-perceived talents and abilities, 2) self-perceived motives and 3) self-perceived attitudes and values. The concept emphasizes the interaction between abilities, motives and values into a person's "self-concept". It is the "real self". Schein (1978) originally identified five career anchors: 1) technical/functional competence, 2) general managerial competence, 3) autonomy/independence, 4) security/stability, and 5) entrepreneurial creativity. In the 1980's Schein (1996) identified three additional anchors: 6) service/dedication to a cause, 7) pure challenge and, 8) lifestyle. It was evident in the 1970'snand 1980's where individuals stood with respect to their career anchors. However Schein found that people had to adjust to the turbulent environment that exists within organizations and three additional anchors emerged (Schein, 1996). He found that people have to become more self reliant with rapid technological and economical changes. People do want to increasingly provide a contribution to the greater good and general managerial skills are becoming more self reliant with rapid technological and economical changes. People do want to increasingly provide a contribution to the greater good and general managerial skills are becoming more of a standard process for most jobs. Schein (1996) questioned whether "individual career occupants have to plan and budget for their own learning, or will private and/ or public organizations take on some of this burden because it will ultimately be to their advantage as organizations?". Unfortunately ten years later, this question still has not been answered. Organizations are still trying to figure out what talent management is and how best to optimise it. Schein does advocate greater employee participation but also imposes on organizations a need to do better work design and development of roles through open – systems planning (Schein, 1996). He added that

employee development will become a process rather than an initial selection based on an individual's history. Schein(1996) predicted that organizational culture will be key factor to changing this direction and human resource strategy will become decentralized into organizations in order to become integrated with the overall corporate activity. This laid the foundation for alignment and integration of talent management into organizational strategy.

Managing talent has become more important to a much 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). Talent management is actually a part of the overall strategy for companies. It is taking precedent in terms of how organizations can compete with the best resources available for the highest organizational effectiveness.

**Talent Management Models**

It was identified that, to manage talent effectively, organizations have to follow certain models, which will help in managing the talent smoothly. The following are the two models identified in the study which are explained in detail:

1. DNA model
2. Peter Cappelli's model

Talent management is a continuous process that plans talent needs, attracts the very best talent, speeds time to productivity, retains the highest performers, and enables talent mobility across the organization. In order to successfully balance the notion of talent supply with business demand, there must be a match between capabilities and needs.

Knowledge infusion was approached to different talent management centres on the concept of "Talent DNA". In order to successfully balance the notion of talent supply with business demand, knowledge infusion breaks down the talent DNA model into three parts. Talent management, on the other hand, focuses on enhancing the potential of

people by developing capacities. Capacities are the basic DNA of an organization and also of individual potential. In fact, the following appropriately describes the role of talent management:

**Table 1.4:  Talent DNA Model**

| D | N | A |
|---|---|---|

| Point of Departure | Navigation | Point of Arrival |
|---|---|---|
| Translating organizational vision into goals and mapping the required level of capacities and competencies to achieve goal. | | |

1. Skill and capabilities required throughout the organization.
2. Skills and capabilities must be able to relate to job position.
3. Organization must be able to hire the right people.

With all three components in place, organizations can apply the talent DNA model to virtually any HR supply and demand process – whether its recruiting, on boarding, staffing or development.

2. Peter Cappelli's Model: A Wide Outlook of Talent Management.

Talent management is simply a matter of anticipating the need for human capital, and then setting out a plan to meet it. In addition to working on effective policies for recruitment, selection, performance management, recognition and rewards, education and development and the like, talent management exists to support an organization's overall objectives. Peter Cappelli has proposed a talent –on-demand framework similar to just –

in-time manufacturing for the development of empire. This approach to managing talent uses four particular principles drawn from operations and supply chain management. They are shown in table 1.4.

**Table 1.5:  A Wide Outlook of Talent Management**

| Principle 1 | Principle 2 | Principle 3 | Principle 4 |
|---|---|---|---|
| Make or buy to manage Risk | Adapt to the Uncertainness in Talent Demand | Improve the Return on Investment in developing employees | Preserve the investment by balancing employee-employer interests |
| A deep bunch of talent is expensive. So, companies should undershoot their estimates of what will be needed and plan to hire from outside to make up for any shortfall. Firms should be thoughtful about their precious resources in development of organization. Talent management is an investment, and not an entitlement. So, every organization should think carefully for the requirement of talented people. | This tells about managing the talent demand. Bring employees from all the functions together in an 18-month course that teaches general management skills, and then send them back to their functions to specialize, instead of putting them as management trainees through a three – year functional program. | Get employees to share in the costs of development. That might mean asking them to take additional stretch of assignments on a voluntary basis. Maintain relationships with the former employees in the hope that they might return someday, bringing back the investments in their skills. | Talent development is a perishable commodity. To reserve the investment in development efforts as long as possible, balance the interest of employees and employer by having them share in advancement decisions. To retain talent, organizations must elevate talent as a priority throughout the company by developing a sound employee value proportion. |

Therefore it is important for organizations to develop adequate and appropriate plans and put in efforts to attract the best pool of available candidates and nurture them and for retaining them.

Success of any organizations relies on the ability to manage a diverse body of talent that can bring innovative ideas, perspectives and views to their work. Organizations comprises of people from diverse cultural backgrounds, genders, ages and lifestyles. With such mix of people organizations can respond to business opportunities more rapidly and creatively, especially in the global arena (Cox, 193), which is one of the important goals to be attained. If the organizations cannot manage such diverse group it risks losing talent to competitors.

**Summary**

People are the valued assets of an organization and hence focus on the people will ensure their effective utilization for both individual and organizational benefit. Competent people, when empowered become self-propelled. It thus becomes necessary to identify employees with distinct competencies for better performance. Competencies provide a means of looking at those behaviors that differentiate the best from the rest and are a common language for discussing about critical on the job behaviors. While there are many models and frameworks, the practice is organization specific. Identifying and using competencies in the HR function also helps in talent management. Contemporary organizations across the world use different practices / models in the process of talent acquisition, development and retention. Organizational practice in both competence management and talent management is recent. However scholarly attention on these aspects, though recent, includes scattered literature on the sub aspects of both these concepts. Thus literature is available and is reviewed in the next chapter.

# CHAPTER - II

# LITERATURE OVERVIEW

The integration of the world markets had a profound impact on the functioning of both the public and private sector organizations, more so the private sector organizations. Organizations found themselves in the thick of competition from both national and multinational Corporations resulting in introspection on all dimensions including the development of human resources. Competition also pre-supposes development of human resources and it is here competence, competency management and talent management assumes significance. This chapter reviews the literature on these two concepts of *competency management and Talent Management* so as to identify the direction of research and the gaps in the same. This chapter is divided into two parts. Section - 1 deals with literature on competence management and the section - 2 deals with literature on talent management.  An attempt is made to review the literature under different headings for convenience and clarity.

**Section -1- Competence Management**

HRM in the organizations received a new recognition and importance as a strategic partner to gain a competitive edge and thus it is very important for HRM functions to be realistic, such that the performance of the organization is ensured. This is particularly true in the  era of globalization, where the human resources have` assumed strategic dimension and the organizations are laying emphasis more and more on improvising the potential and capability of human capital of the organizations through new and defined process of hiring, training, development, performance appraisal procedures and succession planning methods. Although HR functions have been in the lime light since a long time its importance increased with the organizations spreading their tentacles globally and competing on the basis of their human potential. A competency from an individual point of view and competency management from an organizational point of view assumes significance in this context. Organizational practice is limited on the use of competency management as a concept in the management literature although it was in

use from times immemorial. The development of these practices as a concept and its application in the contemporary era is recent. Hence the literature evidences studies in this direction, although in a scattered way and in isolation to each other. This section reviews the literature on the concept, definition, and competency as strategy, models, competency management and HRM.

**a) Definition -** Competencies are defined as "an underlying characteristic of a person which results in effective and/ or superior performance in a job". George Klemp (1980). Boyatzis(1982) defined "competencies as characteristics that are casually related to the effective or superior performance in a job". He also noted "competencies are characteristics that are casually related to the effective or superior performance in a job". MCLagan (1989) defined competency as " an area of knowledge or skill that is critical for producing key outputs". She also noted that people might express these capabilities in a "broad, even infinite, array of on-the-job behaviors.

Expanding on those definitions, Spencer and Spencer (1993) described a competency as " as an underlying characteristic of an individual that is casually related to criterion-referenced effective and/ or superior performance in a job or situation". They explained that competency characteristics include these five types; motives, traits, self-concept knowledge and skill. According to Dubois (1993) for defining competency he adapted Boyatzis's (1982) interpretation of the term and defined competency as an underlying characteristic that leads to successful performance in a life role" This definition varies according to the context of its application and the difference s in procedure and philosophy. Some scholars brought in the success angle to competency where competencies predicting success have been observed. Flannery, Hofrichter and Platten (1996) noted competencies as that "add value and help predict success ". Competency and its usage in a manufacturing set up were also studied. Dubois and Rothwell (2000) described competencies as tools used by workers in a variety of ways to complete units of work, or job tasks. Thus these definitions commonly talk about the underlying characteristics / capabilities of individuals leading to successful performance at the work place.

**b) Competence as a strategy -** Strategy is an expansive enterprise. It not only relates with all the functional areas in the business school, but also is by nature, interdisciplinary. All of the social sciences – especially economics and organization theory – plus contract law are implicated. Philip Selznick noticed that the organizations developed in the early 50's saw a gradual emergence of special strengths and weaknesses in each one of them and he coined the term *distinctive competence* in 1957. Kennethe R.Andrews elaborated on this concept in 1971 when he posited that distinctive competence included more than just the strengths of an organization. In his view distinctive competence was the set of activities that an organization could perform especially well in relation to its competitors. Strategy is defined as the tool managers use to adjust their firms to ever – changing environmental conditions. Unless a firm produces only one type of merchandise or service, it must devise strategies at both the corporate and business levels. Corporate strategy defines the underlying businesses and determines the best methods of coordinating them. At the business level, strategy outlines the ways that a business will compete in a given market. Strategic planning is closely tied to the development and use of distinctive competencies, and having an area of distinctive competence can present a major strategic advantage to any firm.

The importance of innovation and competences at the organization level was pointed by Gary Hamel & C.K.Prahlad (1989).  Their study viewed organizations and the managers as working hard to match the competitive advantage of their global rivals. They found that competitiveness seemed out of reach and this made them form competitive alliance with the same company that upset the competitive balance in the first place. In the process they observed that companies end up in imitation with no or very less profit. Thus they suggested that companies should have *strategic intent*, which means a sizable stretch for an organization. Where current capabilities and resources are not sufficient, organizations were forced to stress on innovativeness to make the most of limited resources. Organizations adopted ways to achieve success as Gary Hamel, Yves L.Doz and C.K.Prahlad (1989) said that in the competitive world the ***companies should collaborate*** with the competitors as it strengthens the company.

Executive capability for identifying the competencies was also included by C.K.Prahlad & Gary Hamel (1990) in their work during the 1990's. The executives were judged on their ability to identify, cultivate and exploit the core competencies that make growth possible – indeed they will have to rethink the concept of the corporation itself. They then discussed the importance of *core competence* to the organizations, and pointed out that the importance of competencies that determine global leadership rather than the role of organizations as units of making profits. And finally through core competence of the organization they suggested to target core products through a strategic architecture that guides the development of competence building among the employees and with the organization as such. Importance of core competence was also dealt by C.K.Prahlad (1993) in his article where he highlighted the importance of core competencies and use of technology in the corporations..

Competences are essential for the sustainable advantage of the organizations. Gorge Von Krogh and Johan Roos (1995) also had the opinion that the competences are the underlying sustainable competitive advantage for the organizations. But there has been no thorough investigation into the very nature of competences in the management literature. Thus the author applied theories of sociology of knowledge to enhance the resource-based perspective of competences. The emergent "competence based perspective of the firm has important implications for strategic management in general and for personnel management in particular. The authors tried to demonstrate how competences build firm's competitive advantage by building on the resource based perspective.

The advantage of competencies was explained by G.J. Bergenhenegouwen (1996) through the theory on the core competences of the organization and the competences of individual employees. The management style in competence-based organizations and the way in which a competence-based human resource management (HRM) system can help in achieving the organization's objectives, as well as examining competence management and empowerment was also discussed by the scholars. A concrete application of a competence-based HRM system in the petro-chemicals industry illustrates the task of

linking an organization's core competences to the personal competences of employees by making use of HRM instruments. The study concluded with a summary of the challenges HRM professionals face in competence-based organizations. The theory also helps in penning down the important instructions and formulating the procedures for competence management.

Instructions and procedures are highly essential and also smoothen the process of any organizational activity. This was highlighted by Bergenhenegouwen et al. (1997) and Hagan (1996) where they opined that the core competencies of the organization should provide guidelines for the competence management process to increase sustainable competitiveness. It also helps in broadening the scope for the employee participation in making the decisions etc.

The effect of employee participation on strategic decision making was studied by Patrick M.Wright, Gary C.McMahan (1997) where they examined the impact strategy, core competence, and involvement of HR executives in strategic decision making on the refinery managers' evaluation of the effectiveness of HR and refinery performance among 86 U.S. petro-chemical refineries. Survey results indicated that higher involvement of HR in organizational strategy was strongly related to perceptions of HR effectiveness, and the relationship was strongest and viewed skilled employees as their core competence. HR involvement was unrelated to refinery performance, but was actually negatively related to the extent that refineries emphasized efficient production as their core competence.

The globalization has put pressures on the organizations and especially on the HRM for success and sustainable development. T-John W. Boudreau (2003) highlighted the importance of Strategic human resource management and the challenge posed to HRM by sustainability for organizational success and the gaps in terms of overlooking important HRM contributions to financial success was noticed. Moreover the sustainability is just connected to HRM through the traditional HR paradigm. To make sustainability truly actionable the need for a framework was felt. The author proposed a framework and shifted the paradigm of HRM toward a decision science called "Talent ship" which defines sustainability and its measures, defines the connection between HRM and

sustainability using traditional HRM paradigm. And the HC Bridge talent decision framework that connects HRM, talent and competitive/financial strategic success, was used to logically make similar connections between HRM, talent and sustainability using examples from Shell and DuPont..

High potential in the form of employees exist in every organizations, which is not utilized, and un recognized. Jon-Arild Johannessen, Bjorn Olsen (2003) pointed out that there is untapped capability in every business in the current scenario, which is knowledge. Thus they discussed the role of knowledge and competence in creating sustainable competitive advantage, the need for a strategic approach to competence development and the role of training in meeting the strategic competence priorities of companies. A model was developed for the organizations to tap the untapped knowledge. They also explored the existing research on people management, did a synthesis of authors knowledge and strengths and limitations of their knowledge. People management is an important contributor to organizational success as marketing, finance, or sales but HR suffers in terms of self-confidence and under valuation by both practitioners and users. Using a frame work they explained broadly the concept of people management through the changing employee and employer relationship, issues faced because of changing relationship, about the psychological contract, employee engagements, how to make employee committed towards the organization on organizational performance, impact of skills development on organizational performance outcomes, role of accountability in organizational performance, impact of effective HRM on productivity and organizational performance and studied the link between innovation and HRM.

The importance of competence management was further brought out by Simon Beck (2003) he stressed on the importance of knowledge to face the world wide competition and the competence of the employees and employers in competence management. The author tried  gain more specific knowledge about the implementation of a strategic computer aided, employee oriented skill management system in the company. The main success factors found are first, an acceptance strategy, which includes the participation of motivated groups of pilots, the integration of the workers council, the support of the

management as well as much information and transparency about the objectives and the purpose of the system, good cooperation with the workers council is of great importance and enough personnel and organizational resources must be given for the project. While commenting upon the importance of competence management Davenport and Prusak (1998) stated that strategic competence management is increasingly important for innovative organizations, and is be critical to uphold strategic advantage.

According to Michael R.Losey (1999) human resource professionals see the opportunity to turn human capital strategy into a long term competitive advantage. Competent human resource professionals recognize the requirement of the profession and were optimistic to invest in maintaining and improving their skills and knowledge during rapidly changing times. The author identified the key components in measuring competency, intelligence, education, experience, ethics, and interests and the importance of each in regard to human resource management. Which if implemented in the HRM as a practice would help in reaping the fruits.

The HRM concept in the organizations plays an important role and every organization should place high importance on it as a practice. Brian E. Becker and Mark A. Huselid (1999) attempted to provide some insight into the "state of the practice" through the presentation of five detailed case studies describing the HRM strategies employed by firms known to be leaders in the management of people. They came forward with an outline of theoretical rationale and empirical literature linking HRM systems with corporate financial performance, highlighted the patterns that emerged from this research in five partnership companies. They synthesized findings and drew three broad conclusions. They are 1) The foundation of a value added HR function is a business strategy that relies on people as a source the human resource management staff while reengineering the HR delivery systems. The experience of a large, successful company that developed and implemented the process is also described. It was argued that the use of "best practices" contributes less to creating a world-class HRM team than to redefine the fundamental partnership role supported by the line organization. Finally partnering was defined in an operational manner of competitive advantage and a management culture that embraces that belief, 2) A value added HR function was characterized by

operational excellence, a focus on client service for individual employees and managers, and delivery of these services at the lowest possible cost and 3) A value added HR function requires HR managers to understand the human capital implications of business problems and can access to modify the HR system to solve those problems.

The HR's job in the organizations was to identify, implement and develop strategies. Raye Walter (2003) felt competence is the most important for the success of any business hence management of competencies of an organizations members is important and an integral aspect of the managerial activities in the organizations. He explored the idea and concept of developing formulated strategies that will assist in addressing the specific needs of competence managers in innovative work environments. Focus was on what components are today's competence systems comprised of, how can the use of competence systems be improved to provide better support in the management of organizational competence and on what strategy or strategies for competence systems development might future research focus. This study was based on literature review of two doctoral dissertations one on competence systems and other on knowledge creation and management on interest activation. Thus, concluded that competence management as an innovative unified strategy that is having the potential and is feasible for the organizations.

Application of competence management as a practice has many advantages. Ron Sanchez (2004) highlighted and identified the benefits of competences and stressed the problems the researchers and the practitioners face in defining competences conceptually and in identifying the real competences of organizations. The author identified five modes of competences that an organization must develop and maintain in its various activities to achieve overall competence. Each competence mode is identified by the distinctive sets of capabilities – or more precisely, the distinctive flexibilities they brings to an organization to respond to the changing opportunities and threats in its environment. Each form of flexibility is in turn distinguished by the kinds of strategic option it creates for an organization. Key interrelationships among the five competence modes were identified, and also the important aspects of managing each of the competence modes and

their interrelationships between competence modes affect the management of competences in an organization.

According to Maria Vakola, Klas Eric Soderquist and Gregory P. Prastacos (2007) competitive advantage depends largely on the ability to activate and use organizational resources. As a result, the focus in the strategic management, organizational behavior and human resource management literature has turned to the internal capabilities of organizations including a particular focus on employees' competencies. They analyzed and discuss a forward-looking, dynamic and proactive approach to competency modeling explicitly aligned with strategic business needs and oriented to long-term future success. The authors described how the competency model was developed and how it facilitated strategy implementation and change by supporting communication, employee understanding of business goals, and the incorporation of new behaviors, roles and competencies in operations. A forward-looking and proactive approach to competency modeling is presented and discussed in the context of a large-scale organizational change. The organizational core competencies required for a business to compete successfully in the banking sector are defined. The right mix of skills and behaviors that the individuals would need to possess in order to produce and support those core competencies is also identified. Traditional approach to competency management, which is analogous to job analysis, focuses on competencies of successful individuals, rather than on competencies that are needed to support an organization to meet its short- or long-term objectives. It was stressed that there is a need to shift toward a forward-looking and proactive approach to competency modeling and present a competency methodology that supports this need.

The proactive thinking approach helps the organizations to come up with new strategies and also leads to new ways of looking at the things. T-Rakesh Sharma & Jyotsna Bhatnagar (2009) discussed the importance of building a talent strategy based on competency profiling in the field of strategic HRM using a case study of an Indian pharmaceutical company describing well designed talent management strategy. How it helps the organization in recruiting the best talent in the industry, in bringing down the attrition rate and added value by filling the key positions through succession planning. The case could not cover on how to develop the average talent in an organization. The

employee and employer interactions also help in knowing and identifying the existing talents, which needs to be looked at.

The communication process plays an important role in identifying the talent of the organization, making them important resources and also helps in formulating good strategies with employee participation. William B.Chapel (1997) pointed the importance of interactive processes of effective global managers need to be explored to identify, describe, and apply concepts supporting international management, communication and competence. Various theoretical approaches and concepts central to communication competence, simultaneously interspersing this framework were synthesized with illustrations in the context of international management. The purpose was to provide information that will be useful for developing research questions, pedagogical models, or effective management communication practices. As international management communication competence is a cognitive process that involves acquiring (1) cultural awareness and understanding, (2) language knowledge (verbal and nonverbal), and (3) the motivation to use cultural awareness for the development of global business relationships. A process was thus developed in two stages: enculturation within one's native society and realization of the reality, validity, and distinctiveness of other cultural values and norms. .

The performance of employees and organization as a whole is not just possible by developing competencies but needs attention through multi methods. Thomas Lans & Martin Mulder ( 2009 ) felt that since the last decade the issue of competence has been received with enthusiasm by the researchers and practitioners. The ongoing debate has resulted in new notions of competence which can be seen as the continuous search for more comprehensive conceptualizations of competence in order to contrast them clearly with the disintegrative and reductions models of competence popular in the nineteen eighties. One strategy in this regard is to adopt a multi-method orientation to competence. Multi-method approaches are differentiated from classical competence approaches in the sense that they not only incorporate generic worker attributes but also deploy a more fine-grained analysis of actual work activities, work context and related organizational goals and strategies. The author summarized the findings of three empirical studies in which a

multi-method approach to competence was used to study entrepreneurial competence in small firms. The results showed that even though competencies are partly idiosyncratic, situated, constructs, it is possible to formulate steppingstones for competence (i.e. competence domains). Furthermore, a more fine-grained analysis of a specific task and associated situations can assist researchers as well as practitioners with disentangling the complex relationships between competence and (small - business) performance.

In order to have better performance, organizations needs to re look at their practice of strategy formulation based on the competencies. Kak, Anjana (2009) studied four Indian organizations to analyze practice of strategy formulation and implementation based on core competencies. The cases have been developed for each organization to find out the strategic issues in much greater depth. The study was based on flexible systems methodology and was conducted using interviews. It revealed that there is a need for proper understanding of core competencies and flexible approach of organizations to make the concept more effective.

## c) Competence Management in HRM Functions

The role and importance of human resource management (HRM) in organizations is very important for the success of any business. Human assets are one of the most important resources available to any organization and employee competence and commitment largely determine the objectives that an organization can set for itself and to its success in achieving them. David McClelland (1973) the famous Harvard psychologist, was the first to pioneer the competency movement across the world. The turning point for competency was through the article published in the American Psychologist in the year 1973. the article points out the general procedures followed by the HR for recruiting / selecting the employees give importance for the intelligence quotient and test scores of the candidates for the selection. He stressed on the importance of competencies to be considered for selecting the candidates. Competence management got importance in the organizations of late due to globalization, which implies tougher competition and more dynamic markets.

The organizational potential needs to be developed. Borghoff and Pareschi (1998) felt that the dynamic markets, tough markets and globalization as such help the organizations

with the possibility for increasing the competence potential of an organization through utilizing competence from different geographical locations in the global workforce. Especially the demand for effective employees continuously increases in the IT sector where knowledge and skills are crucial. Niederman (1998) Pickett (1998) also stressed that strategic competence management should thus be highly prioritized among managers.

Human resource management function as strategically important was also stressed by Ulrich and Lake (1990), Lengnick-Hall & Lengnick-Hall (1988), Agarwal and Ferratt (1999). The focus of HRM function in organization has gained increasing strategic emphasis, and the importance of aligning HRM strategy and business strategy is well acknowledged. Thus effective HRM is vital for being able to meet market demands with well qualified employees at all times.

Employee knowledge and skills get improvised and better only if they are encouraged to participate and innovate rather than limiting to routine set of activities. Jorgen Sandberg (2000) were of the opinion that in the prevalent rationalistic approaches, human competence at work is seen as constituted by a specific set of attributes, such as the knowledge and skills used in performing particular work. As an alternative to the rationalistic approaches, an interpretative approach, "phenomenography," is proposed and explored in the article. Findings suggest that the meaning work takes on for workers in their experience of it, rather than a specific set of attributes, constitutes competence. More specifically, the results demonstrate that the particular way of conceiving of work delimits certain attributes as essential and organizes them into a distinctive structure of competence at work.

Competence practices enable the organizations in identifying the right competence groups for their business activities. Mette Praest Knudsen (2000) investigated the concept of "competence groups" and identified a number of dimensions that facilitate operationalization of a competence group construct in research. Several methods for defining competence groups – including groups identified by analysis of patent shares and derivation of a technological "specialization index" are used to identify competence

groups in the telecommunications industry. The study identified the ways in which technological competences both enable and constrain the strategic choices of industry participants, the methodology employed contributes to development of the competence based perspective on industry structure.

Multidimensional frameworks of competency are needed for getting competitive advantage. Francoise Delamare LE Deist & Jonathan Winterton (2005) explored the definitions and usage of competence, especially in the context of training and development initiatives in the USA, UK, France and Germany, and tried to clarify the concept by incorporating knowledge, skills and competences within a holistic competence typology. One- dimensional frameworks of competence are inadequate and are giving way to multi-dimensional frameworks. Functional and cognitive competences are increasingly being added to behavioral competencies in the USA, while in the UK cognitive and behavioral competences are being added to the occupational functional competence model. France, Germany, and Austria entered the arena more recently, adopted from the outset more holistically, but different, approaches. After comparing these approaches, it is argued that a holistic framework is useful in identifying the combination of competences that are necessary for particular occupations and to promote labor mobility.

According to Maurice M. Grzeda ( 2005) the competence framework continues to be plagued by unresolved conceptual ambiguity. In this paper author aims to consider other perspectives of managerial performance. It was a conceptual article that examined and critiqued current perspectives of competence based on an extensive literature review. And found that the sources of conceptual ambiguity are rooted in treating competence as both independent and dependent variables in relation to managerial performance. A managerial learning framework and a career perspective may offer less ambiguous, more promising conceptual frameworks for managerial performance. The arguments presented for moving beyond the competence framework need to be developed into propositions that can be tested empirically. Management development and education activities may not be achieving their intended outcomes due to the level of conceptual ambiguity found with the competence framework. It may be necessary to reconsider the efficacy of

development programs and activities that rely on a competence approach. Conceptual ambiguity regarding competence has been previously noted. Author presented an analysis of the possible sources of ambiguity, and the dilemmas faced when trying to reduce the level of ambiguity. By clarifying these issues, this paper could be of value to researchers in the management development field and to practitioners involved with employee and managerial development.

The biggest problem faced by the organizations is of placing right person in right place. Competence mapping helps in knowing its skills needed for the job and help the HR in placing the right person. Lucian Cernusca, Cristina Dima (2006) explained the concept of competency and how competency is linked to performance and ones career development. The authors have also looked into some models of competency mapping and appraisal tools for performance management. A business might possess extremely capable human resources, but they might not work on the position that suits them. This is where competency mapping and the appraisal tools come to help the HR experts choose who should work on what position.

According to Andreas Schmidt and Christine Kunzmann (2006) competencies are abstractions of work-relevant human behavior that emerged as a promising concept for making human skills, knowledge and abilities manageable and addressable. At the organizational level, competence management uses competencies for integrating the goal-oriented shaping of human assets into management practice. At the operational and technical level, technology enhanced workplace learning uses competencies for fostering learning activities of individual employees. These two perspectives belong together, but in practice, a common conceptualization of the domain is needed. Thus they presented a reference ontology that builds on existing approaches and experiences from two case studies. Technology plays a greater role in the context of global scenario.

The advances in technology enable the process of development and implementation of competencies. C-Rob Koper, Marcus Specht (2007) focused that organizations are using several approaches for selection installation and usage of IT based tools, the author also identified the challenges and issues faced by the organizations and thus tried to help

individuals, groups and organizations in developing their competences for life long. They identified seven major problems that are responsible for the lack of such infrastructure, and the solutions to these problems formed the core requirement for the development of the ten-competence infrastructure.  Thus the authors came out with ten competence project aims forward for integration of the different tools, perspectives and learning environments in a common open source infrastructure based on today's standards on the level of knowledge resources, learning activities, competence development programs and learning networks. Competence will integrate tools in a service – oriented architecture (SOA) and can be used for evaluating the approaches in a variety of pilot applications for lifelong competence development.

The competence practices of the organization leads to transparent approach of doing the things. Patricia Wallace Ingraham, Heather Getha (2005) brought the concept of how the principle of merit in appointment and promotion has developed since the nineteenth century and examines contemporary applications of competency frameworks in the US – their development, character, strengths and weaknesses. They were of the opinion that if core competency discussions and frameworks are to have a broader impact at both the government wide and the agency level, the frameworks will have to be disentangled. Existing notions of competencies for the political appointees, the leadership echelons of the career service, the rest of the career service, the entire government, central agencies, individual agencies, and badly needed future leaders not only suggest superhuman abilities, but also contain seriously conflicting expectations.

The employees are valuable assets for any organizations and thus attention towards development is highly essential. Bjarne Espedal (2005) defined management as a source of organizational competitive advantage and from the view that managers are some of the employees most vital to a firm. According to influential theories in the field of strategic management, such human assets should be protected, governed, and developed internally. In contrast to the traditional view of core competence, they suggest that firms have to use external as well as internal resources to develop employees with unique and valuable capabilities and skills. Thus they made the argument that a mix of internal and external

developmental resources might be an important mechanism in the creation of management development as a dynamic capability or as a means to develop human assets that are one of the main sources of competitive advantage.

According to Vichita Vathanophas, Jintawee Thai-ngam (2007) human assets are one of the most important resources available to any organization and employee competence and commitment largely determine the objectives that an organization can set for itself and to its success in achieving them. Therefore, the demand for effective employees continuously increases in both public and private organizations. The 'Competency-based' approach to human resource management has become integral during the last thirty years, with 'Competency' encompassing the knowledge, skills, abilities, traits and behaviors that allow an individual to perform a task within a specific function or job (Boyatzis, 1982). In this study an attempt was made by the authors to identify the required competencies and develop a competency model for effective job performance at the Chief of the General Administrative Sub-Division position level in the Thai Department of Agriculture using the Behavioral Event Interview (BEI) technique (Spencer & Spencer, 1993). The study found that there were twenty-three competencies that superior job performers used in carrying out the job well. Consequently, the researcher used current level of importance of competency as primary information to recommend nine competencies in a competency model. The competency model presented would help the Thai Department of Agriculture to respond to government policy regarding human resource management, provide useful information.

Technology also plays an important role in the process of employee development and the right technology needs to be identified. Patricia Ordonez de Pablos and Miltiadis D.Lytras (2008) sought to analyze the organizational requirements for the exploitation of human resource management towards increased organizational performance, and provided a conceptual framework for the analysis of human resource management in learning organizations. They used the form of an extensive literature review on human resource management (HRM), organizational learning and human capital. They identified that the major contribution is the Requirements Framework for the Adoption of

Technology Enhanced Learning and Semantic Web Technologies, which can guide strategies of effective competencies management in modern organizations. They could list out the limitation as the Requirements Framework provides the basis for an extensive specification of knowledge management strategies. The practical implications from the paper is that it is a very useful source of information and impartial advice for strategists, HRM managers, knowledge management officers and people interesting in exploiting human resource management systems in a knowledge-intensive organization.

According to Frans J.Prins, Rob J.Nadolski, Adriana J.Berlanga, Hendrik Drachsler, Hans G.K.Hummel & Rob Koper (2008) competence development of learners and professionals, focus should be on competences and corresponding competence development opportunities have to be identified. Personal Recommender Systems (PRS) provide personal recommendations for learners aimed at finding and selecting learning activities that best match their needs. This article argues that a clear-cut description of the concept of 'competence' is needed for appropriate system-based personal recommendations. It proposed to extend current initiatives on standardization of modeling competences with the concept of 'Learning and performance situation' (LP-situation) and it claims that this extension has added value for personal recommendations for adequate selection of learning activities, for determining proficiency levels of competences, for the design of learning tasks, and for accreditation of prior knowledge. Advantages and disadvantages are discussed.

Matthew H. Sauber, Hugh B. McSurely, V.M. Rao Tummala (2008) focused on the virtues of embedding learning competency development and measurement in the design of educational programs. This is an issue of ongoing relevance to education in general, and of growing relevance to higher education in particular. As psychometric methodology advances, quality assurance and continuous improvement in education place greater emphasis on learning outcomes. As such, the identification and measurement of competencies become issues of increasing importance in educational systems around the world. In this paper authors aimed to show the process of designing and measuring learning competencies in program development. Using cross-sectoral comparisons to draw on programmatic and pedagogical strategies, more commonly

utilized in vocational education, and transfer the application of these strategies into curriculum development in higher education. Using a case study approach, the paper detailed the process of identifying and measuring learning competencies in developing specialization and graduate certificate program in supply chain management. The findings are development of competencies used as interdisciplinary framework to infuse interaction among stakeholders – faculty, students, and practitioners. The process focused on competencies at the program level as opposed to certain course or class level. The result produced more realistic competencies addressing student learning. The competency approach presented challenges in collecting and analyzing assessment data and opportunities to continuously improve the program. Data on student self-assessment of learning competency as well as course work (exercises and assignments) were collected, analyzed, and reviewed. They resulted in changes in textbooks, class exercises and assignments, and faculty lectures.                                                    .

The employees today are at the centre stage of the organizations and needs to be taken care of right from the hiring to select the best. Ágnes Csiszárik-Kocsir, Mónika Fodor, Erika Varga (2008) were of the opinion that human resources have always been playing a decisive role in economic life. The company's competitiveness, success and market position greatly depends on its human factor organizing and running it from the background. Although competency-based HR practices are rather expensive, it is worth the price as the costs spent on recruitment can only be covered when the most suitable, the most competent applicant is hired. On the other hand, retraining, restructuring and stressing the role of competencies in Human Resources Management are also in the centre of attention and are becoming more and more "fashionable" today. In their opinion companies should invest more money to improve their human resources by means of trainings and education, because it pays off even if in the long run and finally results in comparative advantages. Besides, competencies can also contribute to the employment of young starters or graduates of higher education.

The competency based models and approaches allow the management and an organization to be on forefront thereby allows emerging successful. Michelle R. Ennis

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(2008) felt that for over 30 years, business and industry has utilized competency models to select employees. The trend to use competency-based approaches in education and training, assessment, and development of workers has experienced a more recent emergence. With the mobility of the workforce and retirement of the baby boomers, competency models are being used for succession planning as well. It is within the last few years that the Employment and Training Administration (ETA) has turned its focus on skills acquisition and assessment to the competency model process for determining the needs of business and employers and the requirements of skilled workers. Recently, ETA has been engaged with business, industry, and education/training leaders to develop competency models for targeted industries and broker information on resources that are used based on or used in conjunction with competency models to efficiently prepare the workforce. In this paper author examines the role of competency models in human resources practices and discusses where the ETA Competency Model Clearinghouse has assisted in sharing competency related information and resources to the publicly funded workforce investment system and private industry.

Competencies enable the students also in identifying the gaps and upgrading themselves to face the competition ahead. Troy V.Mumford (2009) felt the ability to competently manage employee performance is critical for students graduating with degrees in management. And thus provided a competency development exercise (CDE) for use in graduate and undergraduate management courses to increase students' performance management competence. The CDE includes providing employee feedback, disciplining employees, and conducting termination meetings. Procedures and assessment tools were provided for utilizing the exercise in conjunction with video technology and multisource feedback. Guidance was also given for adapting and condensing the CDE from 3-6 hr to 30-60 min. Finally, data was presented showing that the exercise significantly affected students' performance management competence.

According to Soo – Young Shin, Won – Woo Park (2009) the moderating effect of group cohesiveness both at the individual and at the group level. In the individual level study, moderating effect of group cohesiveness was tested with 249 employees from a Korean

manufacturing company. Group cohesiveness turned out to have a negative moderating effect on the individual competency performance relationship, and this finding suggests that competency of a given group member would be restrained by other group members under high cohesiveness. For the group-level study, group data of 42 teams from the same company were formed. Unlike the results at the individual level, group cohesiveness had a positive interaction effect with competency on performance at the group level. In other words, group cohesiveness reinforced competent group to achieve better performance.

The globalized world has forced the organizations to be competent. Ali Shirazi1 and Saeed Mortazavi (2009) opined that the uncertainty and unpredictability of future events has stimulated interests in research on the nature and characteristics of changes and trends that will be likely to drive competitive performance in the future. Many prominent scholars, including Toffler, Drucker, Handy and Naisbitt, have attempted and identified key drivers of change in the 21st century. The study reviews the current schools of thought in futures studies and major business forecasts in order to highlight the key areas of change in business environment and management. A survey questionnaire was designed and administered to determine the perceptions of managers about managerial competencies and effective managerial performance. The findings revealed that managers' performance in the coming decade is primarily measured against the quality of their relationships with customers, followed by communication, team building, and goal accomplishment competencies. Effective management performance is essentially linked to managers' ability to manage relationships, processes and time.

The liberalization and the globalizations policies paved the way to multinational corporations and teams thus to face the competition, they have to acquire themselves with the competencies. Aida Hairo & Markus Pudelko (2010) endeavored to understand the factors that enable effective functioning of multinational teams (MNTs) but with few exceptions they have ignored studying the competences of MNT leaders. And presented those competences leaders must possess in order to effectively lead MNTs. The findings were based on 70 problem-centered interviews with MNT leaders and members from five

multinational corporations. The competences that are used for the interviewees mentioned most frequently for effective leadership were knowledge management and transfer. And found that a leader must be cross-culturally competent and multilingual in order to motivate MNT members to fully explore, exploit and transfer valuable knowledge within the team and beyond.

According to Edward Fee and Charles J. Hadlock (2003) found that executives who jump to chief executive officer (CEO) positions at new employers come from firms that exhibit above-average stock price performance. This relationship is more pronounced for more senior executives. No such relationship exists for jumps to non-CEO positions. Stock options and restricted stock do not appear to significantly affect the likelihood of jumping ship, but the existence of an "heir apparent" on the management team increases the likelihood that executives will leave for non-CEO positions elsewhere. Hiring grants used to attract managers are correlated with the equity position forfeited at the prior employer and with the prior employer's performance in the article.

Leaders are pillars of the organization and needs high attention as they help the organization in realizing their goals. Richard Bolden (2006) indicated how the competency approach to leadership could be conceived of as a repeating refrain that continues to offer an illusory promise to rationalise and simplify the processes of selecting, measuring and developing leaders yet only reflects a fragment of the complexity that is leadership. To make this argument he drew on two discrete sets of data: a review of leadership competency frameworks and an analysis of participant reports from a reflective leadership development program. A lexical analysis comparing the two data sets highlights a substantial difference with regards to the relative importance placed on the moral, emotional and relationship dimensions of leadership. The implications of these differences are considered, as are ways in which the competency approach could be aligned more closely with the current and future needs of leaders and organizations. In particular, he argued that a more discursive approach that helps reveal and challenge underlying organizational assumptions would be more beneficial if organizations are looking to move beyond individualistic notions of

leadership to more inclusive and collective forms. Methodological issues were also raised around the comparative analysis (both semantic and linguistic) of apparently incommensurable texts.

**d) Models -** Modeling competences is an integral part of any HRM and e – learning related activities. HR departments use competence descriptions to define requirements needed for performing specific tasks or jobs. The competency models describes the competencies to be possessed by the top performers in a specific job etc. Models usually contain 8-16 competencies with definitions, often grouped into clusters along with behavior definitions, often grouped into cluster along with behavioral descriptors.

Gregory C.Kesler (1995) presented a model and a detailed process for redesigning the HR function by contracting with line executives for new roles, and by upgrading the competencies of with the HR grid.

Dan P.McAdams (1992) positioned the five-factor model within the multifaceted field of personality psychology by highlighting six important limitations of the model. The models are 1) inability to address core constructs of personality functioning beyond the levels of traits, 2) limitations with respect to the prediction of specific behavior and the adequate description of persons lives, 3) failure to provide compelling causal explanations for human behavior and experience, 4) disregard of the contextual and conditional nature of human experience, 5) failure to offer an attractive program for studying personality organization and integration, 6) reliance on simple, non contingent, and implicitly comparative statements about persons. The five factor model is the psychology of a stranger providing information about persons that one would need to know when one knows nothing else about them. And argued that because of inherent limitations, the big five can be viewed as an important model in personality studies but is not the integrative model of personality.

According to Kai Reinhardt and Klaus North (2003) the present state of research on competence management does not provide any suitable model that can be used in

practice. Neither results from organizational nor from cognitive and social sciences meet the requirements for an application-oriented competence management completely as yet. An integrative competence management must be able to synchronize individual with organizational competencies. He argued that this linking is still neglected in research. A convenient solution has not been described yet. A Model was presented for an integrated competence management, which gives approaches from both cognitive science and organizational science along with a practical framework of action.

Graham Cheetham, Geoff Chivers (1998) came out with a model as he felt that professionals acquire and maintain their professional competence and for this purpose a model of professional competence was needed which would inform be useful as a interview structure. The existing models had many useful insights to offer but none offered a fully comprehensive model. Thus authors tried to construct a more holistic model which drew on a number of earlier approaches and they brought together the reflective practitioner and competence approaches and created a model.

Anders Drejer (2000) was concerned with the formulation of a framework for understanding the development and change of the competences of firms. Today, there is near universal agreement that the competitiveness of firms rests on the (core) competences that firms possess. However, little attention has been devoted to the notion of competence development. In the paper, it is argued that there is, indeed, a need for research and management practice of competence development. It is also argued that organizational learning theory is a key to understanding competence development. Based on this, a model for competence development is proposed.

Tobias Ley (2003) presented a formalization for employee competencies, which is based on a psychological framework separating the overt behavioral level from the underlying competence level. On the competence level, employees draw on action potentials knowledge, skills and abilities) which in a given situation produce performance outcomes on the behavioral level. Author's conception is based on the competence performance approach by [Korossy 1997] and [Korossy 1999] which uses mathematical structures to establish prerequisite relations on the competence and the performance level. From this

framework, a methodology for assessing competencies in dynamic work domains is developed which utilizes documents employees have created to assess the competencies they have been acquiring. By means of a case study, and showed how the methodology and the resulting structures can be validated in an organizational setting. From the resulting structures, employee competency profiles can be derived and development planning can be supported. The structures also provided the means for making inferences within the competency assessment process, which in turn facilitates continuous updating of competency profiles and maintenance of the structures.

Richard Bolden (2006) did not agree with what Ulrich (1998) has suggested that intellectual capital is a product of competence and commitment. This broad proposition, though intuitively appealing, does not identify theoretical links between these variables, and has little empirical foundation. This paper draws on organizational behavior theory to propose a model that specifies mechanisms, intermediate linkages and boundary conditions that predict intellectual capital. In doing so, it responds to a recent call for research that is specific about human resource management–firm effectiveness relationships. Moderated relationships between competence, commitment and control are proposed as predictors of intellectual capital. Implications for future theory and practice are highlighted.

Fotis Draganidis and Gregoris Mentzas (2006) reviewed the common and wide spread competency management systems, and studied their characteristic applications to find future research directions and proposed a method for developing competency method. He defined the key concepts of competency management and analyzed the competency life cycle and core application areas of competency management systems, and also described the different phases in developing a competency model. Examined the CM features of 22 CM systems and 18 learning management systems while discussing on the technologies, which will be evolutionary in the competency management area. Found that the areas of open standard (XML, web services, RDF), semantic technologies (ontologies and the semantic web) and portals with self-service technologies are going to play a significant

part in the evolution of CM systems. Thus, emphasized the beneficial attributes of CM for private and public organizations.

**e) Identification of competencies -** Identifying job competencies has traditionally used more art than science. Competencies are most often identified through a combination of techniques and models (Marrelli, 1998). Techniques include interviews, focus groups, surveys and observations. Competencies identification helps in hiring the right candidate, promoting the right person all the more helps in developing the employees.

David C. McClelland (1998) dwelled on how to identify competencies based on the behavioral event interviews according to the principles of a new approach to assessment, which produces assessments that are reliable and validly associated with success as an executive. He was of the opinion that these assessments are not influenced by length of protocol or by performance in the preceding year. Bias is not a problem if both the interviewer and the coder are blind to executive success. In contrast to a traditional psychometric approach based on regression analysis, an algorithm based on competency scores predicted managerial success and improved performance across a number of samples. This algorithm identified potential outstanding performers as individuals whose scores reached designated tipping points within clusters of substitutable competencies. Experts' judgments of competencies needed or shown by executives in various positions agreed only moderately with competencies shown to be important by the data from behavioral-event interviews.

John Hayes, Alison Rose-Quirie & Christopher W.Allinson (1998) tried to identify if there is a set of universal senior management competencies in the context of one large multi-site service organization. They chose four distinct work environments and a list of competencies are perceived to be important by managers working at the same grade in each of those environments. Hence parameters of performance traits, measurement techniques need to be identified for identifying the universal competencies.

The knowledge of the performance traits and the measurement techniques helps in coming out with the success parameters of the high performers. Paul Kunst & Jos Lemmink (2000) studied the results of a European study aimed at identifying and exploring success parameters of high (quality) performance and their possible interrelationships in 3 sectors and limited the present study on the hospital sector. Examined if criteria other than those used in the European Quality Assurance (EQA) model are more accurate in identifying quality progress and business performance of hospitals. The study shows that different explanatory variables are linked to progress in total quality management (TQM) and business performance. He concluded that the application of EQA model as an evaluation instrument is subject to debate and there is positive link between progress in TQM and perceived service quality by customers. Progress in TQM leads to higher business performance of the hospital, indicating the efficiency/cost effect, and to a higher perceived service quality by patients, indicating the effectiveness.

The implementation and application of the technically advanced TQM and the other models require huge investments, which is only possible in large organizations. David M. Tweed and Judy H.McGregor (2000) argued that managerial competency differs intrinsically in small versus large organizations. In the small firm managerial competency of the owner – manager is argued to be conceptually equivalent to the notion of "organizational competence". Managerial competence and innovation in small to medium sized enterprises using a sample of 1,514 firms in New Zealand was studied. Associations are examined between six generic categories of managerial competence and five categories of firm performance. The result showed that managerial competences are associated with the achievement of the goals and also showed that the size of the firm does impact on the way in which competence is manifested.

The competences are not only associated with the size of the organization but it also deals with the traits of the entrepreneur and their interest in developing the competencies. Bill McKelvey (2000) reviewed the various aspects and theories of entrepreneurial competencies. The study reported the research findings of entrepreneurial traits,

knowledge and skills of small business owner/managers in the growing firms in Hong Kong. Using critical incident technique and based on the grounded theory, different patterns of competency clusters consisting of skill, traits and knowledge were identified from analysis of incidents recorded through in - depth interviews with owner/managers.

Several discussions took place to identify the role of traits and the knowledge one has in measuring the performance of high performers. L LA Grange, G. Roodt (2001) also tried to determine whether personality and a measure of cognitive ability ('verbal reasoning ability') would significantly predict the job performance ('managerial ratings') of sales people in a large South African Insurance company. The Customer Contact Styles Questionnaire (CCSQ 5.2) and the Verbal Evaluation Test (VCC 3) were administered to 170 broker consultants, and the managers rated their job performance on the Customer Contact Competency Inventory (CCCI). By making use of multiple regression analysis it was found that certain personality dimensions significantly predict job performance, and that 'verbal reasoning ability' did not have any significant predictive power. The findings, the implications thereof and suggestions for possible further research are discussed in the article.

The role of skills for determining the performance had grabbed the scholarly attention. Scott Taylor, Richard Thorpe & Simon Down (2002) explored the negotiation of managerial legitimacy in smaller organizations, considering managerial competence as a situated process. The central issue addressed by them is how employees and line managers use formal education, management development, and experiential or cultural competence as resources in defining the managerial role. They suggested that managerial legitimacy and authority are negotiated along two axes: local, technical expertise and non-local, abstract knowledge. The material effects of the negotiation of manager-managed relations were analyzed in relation to determining employee payment levels based on judgments of skill. They also explored the implications of this for understanding the social construction of competence in smaller organizations.

The communication also has its own importance by way of a channel for the knowledge transfer, understanding, as a mediator for reaching the target. Francesca Golfetto (2003) proposed a view of communication that uses tools and communication codes that seek to represent the supplier's skills as a specific competence provider. This approach is supported by the resource-based view (RBV), but takes a cue from business practice and, above all, content transmitted through tools other than advertising. These tools propose experiential communication, i.e. a communication in which the supplier's skills can be tested and compared. The content of "competence based communication" reflects the way by which competencies are transferred from supplier to customer: this is realized in part by the product (which we call "solid" or "standardized" competence) an in part by the supplier's ability to align with the customers processes and needs ("fluid" or "adaptable" competence), while the function of effectiveness (innovation, for example) and networking are almost exclusively centered on the potential of capability (fluid competence) provided by the supplier to the customer

According to Lindgren, Henfridsson, Schultze, Ulrike (2004) the literature on competence in organizations recognizes the need to align organization level core competence with individual level job competence. It does not consider the role of information technology in managing competence across the macro and micro levels. To address this shortcoming, authors embarked on an action research study that developed and tested design principles for competence management systems. This research developed an integrative model of competence that not only outlines the interaction between organizational and individual level competence and the role of technology in this process, but also incorporates a typology of competence (competence-in-stock, competence-in-use, and competence-in-the-making). Six Swedish organizations were part of the research project, which took 30 months and consisted of two action research cycles involving numerous data collection strategies and interventions such as prototypes. In addition to developing a set of design principles and considering their implications for both research and practice, this article included a self-assessment of the study by evaluating it according to the criteria for canonical action research.

Authors Erna Haland & Aksel Tiora (2006) felt that competence and competence development are 'buzz words' widely used in organizations in Norway, as well as in other countries. Competence, as the company's most important and valuable resource, is constantly highlighted. They raised such questions as - does this imply for the organization and for the employees? What are comprised in the concept of competence? This according to them presented different understandings of competence among employees in the large Norwegian oil company, Statoil, which they studied, as well as some of the different views on competence found in the literature. Using semi-structured interviews in two different stages of a process of implementing a net based learning system, and found that the focus was more on competence as asset than competence as process. This leaves out important dimensions of competence in the complex society of today and as expressed by several of the employees in Statoil.

According to Giuseppe Berio, Mounira Harzallah (2007) competences in organizations comprises of several heavy processes which the authors have categorized into four classes they are competence identification, competence assessment, competence acquisition and competence usage. Competence management, comprising the management of knowledge about competence, can take advantage from the knowledge engineering techniques to support the mentioned process categories. The authors described how the knowledge engineering techniques proposed in the literature can be used to support the various competence management processes. They also discussed the knowledge engineering techniques like their strengths, benefits and weaknesses in the context of the process categories that are carried out. They proposed an integrating architecture for competence management. A running example is used throughout the paper to better illustrate knowledge techniques and their applications to the competence management.

Added to the above, Heather Getha-Taylor (2007) felt that it is important for public employees to develop critical collaborative skills Bardach(1998) Chrislip & Larson (1994) Goldsmith & Eggers (2004). The National Academy of Public Administration (2002) affirmed this by calling for a focus on collaborative competencies, but the

question remained: what are collaborative competencies? Many skills are theoretically connected to collaboration, but these links were not tested empirically. Following the methodology developed by McClelland (1973, 1975, 1976) and furthered by Spencer & Spencer (1993), thus presented a collaborative competency study. This investigation involved the use of matched criterion samples (superior versus average collaborators) from the federal government. Individuals in the criterion samples were interviewed using the Behavioral Event Interview (BEI) design to identify differentiating competencies and create a competency model for future validation.

Further Laveesh Bhandari and Payal Malik (2008) brought out that workers are migrating permanently or on a short-term basis, within a company or changing companies, sometimes changing occupations in search of a more fruitful work profile and lifestyles. Companies in turn are hiring internationally – sometimes for employment in a single location and sometimes moving their employees across national borders. India is a significant contributor to this phenomenon; it is exporting talent internationally in a big way and is considered to be a significant 'threat' internationally. But given its vast and rapidly increasing English-speaking workforce India is emerging as a major supplier of international talent.  International and domestic migration has attained significant importance on the national as well as international platform.  Growing mobility of labor in a global economy, consequent population and demographic impacts, coupled with enhanced  security  concerns, have together underlined the importance of good migration  management policies  to transform it into an efficient, orderly and humane process.  The paper provided a comprehensive analysis of the process of migration in India. This analysis is undertaken under three broad themes with Section 2 covering issues such as: What is the scale and scope of talent migration both (i) within India and (ii) between India and the world? Section 3, primarily covering the supply side issues, will describe the demographic dividend of India and provided a perspective to the same by discussing the employability constraints of the working population of India. In this context the following questions become important: (a) how to convert this demographic dividend into an employable dividend; (b) Whether and how short term training by hirers (with an international/domestic orientation) can improve the employment potential of the

Indian workforce?; (c) Whether and how domestic skills shortages result in leading Indian companies seeking talent overseas? Finally, Section 4 of the paper briefly discussed the gains and costs of migration and followed by conclusions and recommendations focused on fully harnessing the gains and mitigating the costs in Section 5.

According to Thomas Lans & Martin Mulder (2009) their paper was an outcome in search of more comprehensive conceptualizations of competence in order to contrast them clearly with the disintegrative and reductions models of competence popular in the nineteen eighties. One strategy in this regard is to adopt a multi – method orientation to competence. Multi method approaches are differentiated from classical competence approaches in the sense that they not only incorporate generic worker attributes but also deploy a more fine gained analysis of actual work activities, work context and related organizational goals and strategies. The author summarized the findings of three empirical studies in which a multi method approach to competence was used to study entrepreneurial competence in small firms. The results show that even though competencies are partly idiosyncratic, situated, constructs, it is possible to formulate steppingstones for competence (i.e. competence domains). Furthermore, a fine – grained analysis of a specific task and associated situations can assist researchers as well as practitioners with disentangling the complex relationships between competence and (small – business) performance. Competence management is an important part of HRM practice where the aim is to generate competencies that provide the organization with the right mix of talent to meet existing and future needs (Nordhaug 1993, Ulrich etal. 1990).

## Section – 2 - Talent Management

Talent management is a complex collection of connected HR processes that deliver a simple fundamental benefit for any organization. Talent management, often referred to as Human Capital Management, is the process of recruiting, managing, assessing, developing and maintaining an organizations most important resource – its people. It is the end-to-end process of planning, recruiting, developing, managing and compensating

employees throughout the organization. The 4 pillars of talent management are recruiting, performance management, learning management and compensation management. Organizations worldwide are facing the problems of managing the talent, shortages in talent etc. Talent management is gaining attention. Talent management brings together a number of important human resources and management activities. Organizations that formally decide to manage their talent undertake a strategic analysis of their HR processes.

**a) Importance of talent -** The opportunities are few and the unemployment is high. Competition among candidates for what little career mobility may exist is intense. It is evidenced by the Nasscom – Mc Kinsey Report 2005 which indicates that, while more than three million students graduate from Indian colleges and the Indian nation produces 500,000 engineers annually, only a very small percentage are directly employable by the industry. That is only 25% of the technical graduates and 10-15% of the general graduates. This is due to the fact that the education system is still inadequate and does not ensure 100 percent literacy for the country's population. Industry has to initiate to fill the talent gap and fulfill their manpower gaps.

Development of the workforce is the fore most important aspect that needs to be dealt with for effectively managing the talent of any organization. Jeffrey L. Kerr and Ellen F. Jackofsky (1989) were of the opinion that several articles have recently been published stressing the importance of matching managerial talent with organizational strategy. These have generally relied on selection to 'fit' the manager to the strategy. Hence authors proposed the use of management development as an alternate mean-s of achieving manager-strategy alignment. Therefore management development is defined as, its role in strategy implementation is discussed, and its benefits and costs are identified. Which are contrasted with the costs, benefits and strategic role of selection. It is suggested that choice of alignment method (i.e. management development versus selection) is contingent upon particular strategic, structural and cultural factors. These contingency relationships are presented as a series of research propositions.

Mark Busine & Bruce Watt (2005) observed that in today's increasingly complex business environment, the issue of identifying and preparing the next generation of leadership talent was consistently cited by executives and boards as one of their most critical business priorities. The authors felt that despite this, most organizations consistently rate their succession management practices as less than effective. A range of external and internal factors influences the issue of succession management. They reflected on current research and experience to explore existing practices and trends and provided a platform for the implementation of more effective initiatives moving forward.

Both Julia Christensen Hughes and Evelina Rog (2008) tried to clarify what talent management meant and why it is important (particularly with respect to its affect on employee recruitment, retention and engagement), as well as to identify factors that are critical to its effective implementation. The article was based on a review of the academic and popular talent management literatures. It was noticed that talent management is an espoused and enacted commitment to implementing an integrated, strategic and technology enabled approach to human resource management (HRM). This commitment stems in part from the widely shared belief that human resources are the organization's primary source of competitive advantage; an essential asset that is becoming in increasingly short supply. The benefits of an effectively implemented talent management strategy include improved employee recruitment and retention rates, and enhanced employee engagement. These outcomes in turn have been associated with improved operational and financial performance. The external and internal drivers and restraints for talent management are many. Of particular importance is senior management understanding and commitment. Hospitality organizations interested in implementing a talent management strategy are advised to: define what is meant by talent management; ensure CEO commitment; align talent management with the strategic goals of the organization; establish talent assessment, data management and analysis systems; ensure clear line management accountability; and conduct an audit of all HRM practices in relation to evidence-based best practices. This helps any one seeking to better understand talent management or to improve employee recruitment, retention and engagement.

Kirkland (2009) presented information on talent management programs for blood services management. The importance of good leadership is emphasized upon, along with the requisite leadership qualities of adaptability, responsibility and courage. Instructions were also provided on the development of a talent management program to gain such degrees of leadership. A case study of a blood center, Caridian BCT is presented, on the steps to be followed for employee motivation.

In times of economic down turn also, the management of talent, needs a lot of attention. Frauenheim (2009) focused on the continuing need for talent management products by U.S. firms to make smarter job cuts, maximize employee performance and keep tabs on employees, during the recession. It mentioned that fitness firm Town Sports International LLC is using recruiting software from Kronos Inc. to hire the right personnel. It discussed various factors that are influencing the U.S. demand for talent management software including the dynamic job market and search for future talent.

**b) Strategy -** According to Lloyd Strategy is about planning to reach a vision, which differentiates a company from its competitors in a positive way. It encompasses overall direction as well as the many detailed activities that occur in a company. Strategic success generally depends on possessing an enlightened and unique vision as well as doing the many things needed to achieve the vision well.

Strategies should be adopted not only to achieve the goals but also to maintain cordial relationships with the external stakeholders of the business. Bente Lowendahl and Oivind Revang (1998) argued that the global changes at the societal as well as the individual level affect strategic management theory and practice in two ways: the actual relationships between firms and external stakeholders (e.g., customers), and they alter the relationships between firms and internal stakeholders (e.g., employees). After briefly outlining the changes observed, they analyzed a number of contributions to strategic management theorizing and argue that as researchers we tend to focus primarily on one of these dimensions of complexity: internal or external. They then, continued by discussing how the post-industrial context will require fundamentally different approaches, as the

dimensions of internal vs. external collapse, and as a result even the notion of an industry, becomes blurred. In the new context, one needs to go beyond the theoretical lenses and paradigms and be trained in, to explore the implications of these changes at a more fundamental level. For the traditional theories, there is a need to refocus attention on the underlying assumptions, in order to explore their areas of applicability and the limits to their relevance. In addition, we need to discover and invent new theories and approaches relevant to this specific context.

The efforts for attracting the best and retaining the best are not really contributing the organizations. Michael C.Sturman, Charlie O.Trevor, John W.Boudreau, Barry Gerhart (2003) felt that "winning the talent war," the attraction and retention of key talent, is increasingly pivotal to organization success, executives often report that their organizations do not fare well on this dimension. Authors suggested and demonstrated how, through integrating turnover and compensation research, the Boudreau and Berger (1985) staffing utility framework can be used by step process that combines organization-specific information about pay and performance with research on the pay-turnover linkage. Estimated the effects of incentive pay on employee separation patterns at various performance levels. The utility framework was used to evaluate the financial consequences of incentive pay for employee retention in the organizations. The demonstration illustrated the limitations of standard accounting and behavioral cost-based approaches and the importance of considering both the costs and benefits associated with pay-for-performance plans. The results suggested that traditional accounting or behavioral cost-based approaches, used alone, would have supported rejecting a potentially lucrative pay-for-performance investment. In addition, their approach will enable HR professionals to use research findings and their own data to estimate the retention patterns and subsequent financial consequences of their existing, and potential, company-specific performance-based pay policies.

With all the developments information is readily available due to the technology, thus employees are having many choices to select the preferred job. Gene M.Grossman (2004) studied the interaction between imperfect labor and contracts and international trade in a

setting in which workers have private information about their own abilities. When an individual's contribution to firm output can be measured accurately in some activities but not in others, the most able workers select occupations in which their pay most closely reflects their performance. In a world economy with two otherwise similar countries that have different distributions of talent, the country with the more heterogeneous labor force exports the good that is produced by the most talented individuals. Thus, concluded that trade exacerbates the "polarization' of the labor force and often worsens the distribution of income.

The individual traits of the employees are the distinguishing factors of talent that separates the best in a group and hence organizations should aim at identifying the distinct traits an individual possess. John W. Jones, Catherine C. Maraist, Noelle K ( 2004) investigated whether or not talent management indices ( i.e., leadership potential, leadership style, sales potential, etc.) can be predicted from narrow personality traits. Using a double cross – validation strategy the data (N-10,261), which are representative of the united States general population, the study indicates that personality, as measured by the 16 personality factors (16PF) , predicts talent management indices.

According to Chris Ashton, and Lynne Morton (2005) Talent Management is more than a new language for old HR work or just the next "hot new thing for HR practitioners and managers to get involved in. For many organizations, it has become a strategic imperative. McKinsey research reveals that 75 percent of corporate officers were concerned about talent shortages and Deloitte reports that retaining the best talent is a top priority for 87 percent of surveyed HR directors. On the basis of substantive research undertaken their forthcoming report, they argued that good TM is of strategic importance and can differentiate an organization when it becomes a core competence. According to researcher, three-quarters of business leaders have invested dedicated resources in TM – but most say they haven't yet felt the impact of doing so.  Why not? Through this research, they tried to provide reasons by asking relevant questions. Getting the right people in pivotal roles at the right time should be nothing new to HR professionals, but done effectively, talent management can create long-term organizational success. Here,

Lynne Morton and Chris Ashton show how to align talent management strategies to business goals, integrate all related processes and systems and create a "talent mindset" in the organizations using 2 case studies.

As the employees are important assets for the organizations, the strategies and policies should be formulated in such a fashion to minimize the employee turnover cost. McQuade, Eamonn; Sjoer, Ellen; Fabian, Peter (2007) presented a research project, the aim of which was to identify the potential loss of company knowledge and expertise as experienced and expert employees retire. The methodology used in this research was based on interviewing experienced and expert people who had retired or were approaching retirement: An application of expert interviewing. The interviews were conducted in five countries, across a number of sectors and involving a range of company sizes. An advisory panel of people with significant, senior level industrial experience guided the work of the research team. In addition to the potential loss of technical product and process knowledge and expertise, there is a loss of expertise in interpersonal communication skill both in the company and in communication with companies and people who are suppliers and customers, in knowing the company culture and the way things are done and in the loss of maturity and stabilizing influence. The number of people interviewed was relatively small. However, the research pointed out the need for companies, both large and small, to put in place succession planning, talent management and knowledge management processes as well as training in transferable skills or soft skills. The research team and the advisory panel involved participants from five EU countries large and small, east and west, north and south, developed and developing, EU founder members and newer accession states. It involved working in five languages and cultures.

The severe issues that the HR has to face because of the talent management strategies are increasing with the organizations. Blackman Kennedy (2006) stressed on the possibility of a growing tension between employee progression and capability development that emerges as a result of talent management strategies. It is argued that the inter-relationship between the increasing trend to develop talent management strategies, combined with

skills shortages and the attitudes of 'Generation Y' employees, leads to the outcomes being, potentially a reduction, rather an increase, in organizational capability. A qualitative case study was used to demonstrate this potential relationship.

According to Kim (2008) the challenges and strategies of attracting and retaining the best in government, particularly from the perspective of government in developing countries or transitional economies. Thus he briefed on the technical and practical issues of how to attract and retain the best, followed by an elaboration of current trends in human resource management (HRM). He also looked at a case of the Korean experience on HRM, followed by discussion of the theoretical and policy implications on HRM. And expressed that various kinds of best practices and new ideas are available through diverse venues around the world, but it is difficult to determine what really works for whom and how. It is not feasible to apply the same reform strategy to all countries. The challenge is, therefore, to find out what is applicable to the specific country; and how things can be applied while minimizing negative consequences. They expressed that practitioners under rapidly changing circumstances around the world with increasing pressure on performance and innovation in government, old-fashioned personnel management must be significantly transformed, in order to attract and retain the best in government as well as to win the war for talent. Thus HR managers should initiate far-reaching, much needed change in talent management in terms of how they source, attract, select, train, develop, retain, promote, and move employees through the organization. In order to make government the model employer of choice, HR managers need to make a new Copernican transition in finding a new way of human resource management.

Based on the issues the HR has to deal with, the more challenging issue is promotion and succession planning. Robert Barnett & Sandra Davis (2008) also expressed that the prevalence of formalized succession planning practices in organizations appears to be increasing, largely due to changing demographic and related trends. However, many organization leaders report low levels of confidence in their succession planning systems and processes. Best succession and talent management practices can help organizations achieve significant benefits, including improved financial performance. The Study provided a practical, five-step approach to succession planning is proposed that

incorporates both best practices and an innovative application of role theory. The approach should help organizations look to and prepare for the future more effectively including better specifying the future requirements they will have for their leaders. Implications for human resource development (HRD) professionals and recommendations for further research are listed in the article.

Talent management has become the primary issue of concern with the organizations and new ways are to be developed to solve the issues. Stevens, Howard p (2008) has focused on four things 1.On the primary causes of ineffective talent management and demonstrates how a Six Sigma/TQM approach can minimize five common pain points. 2. A talent audit system can help address the first pain point--reducing unwanted turnover-- by accurately and systematically predicting the effectiveness of hiring the right talent and avoiding the wrong talent. A talent audit system is also useful for revealing data that are definable, measurable, and actionable to assist with succession planning, which is the second pain point. 3. According to Stevens, the third pain point losing top talent--often is caused by job dissatisfaction as a result of job mismatches. A talent audit can help address the main causes of poor job fit. The fourth pain point occurs when the right person is matched to the wrong job. Through a talent audit database, organizations can benefit from a complete inventory strengths and weaknesses for employees in all key positions. By identifying managers who could thrive in certain roles, organizations can improve the job match of both managers and subordinates. 4. The final pain point involves training the wrong personnel. A comprehensive inventory of employees' strengths and weaknesses, such as those found in a talent audit database can help organizations to customize their training to the individuals who will most benefit.

Discussions among HR practitioners in higher education by Butterfield, Barbara (2008) have focused on talent management; specifically, the concept of developing a college or university talent management approach balanced between planning and action. Talent management as a planning tool looks very similar to workforce planning, but where HR will experience a real opportunity for contribution to the organization is in the quality of implementation supporting the plan. The article emphasized strategic human resource

initiatives that can help realize an institution's talent goals and contribute to performance that will build future institutional capacity.

Hedricks, Cynthia A.; Robie, Chet; Harnisher (2008) used personality scores to construct three databases of global norms. The composition of the three databases varied according to percentage of cases by global region, occupational group, applicant status, and gender of the job candidate. Comparison of personality scores across the three norms databases revealed that the magnitude of the effect of composition was small, indicating that composition, as measured, had no practical significance on the personality scores. Fit ratios and rankings from a case study of high-performing individuals from diverse cultures were used to further illustrate the results. The findings suggest that a common, or global, set of norms could be used for cross-cultural comparisons, an approach that can be refined over time by the results of validity studies on samples of culturally diverse individuals. The global set of norms is possible through the development and application of Information technology systems.

Even Erik Beulen (2008) felt that the cause for talent war is the globalization of information technology (IT), in which developing countries play a major role, has caused a "war for talent." To meet challenging growth targets, service providers find that recruitment and retention are of key importance. For developing countries, globalization offers the opportunity for economic development. The central question of this paper is how IT can be used to support service providers in these fields. Specifically, in this paper focus was on Accenture's human resources management (HRM) processes and the suitability of applications implemented to support them. Accenture's industrialized approach makes effective and efficient HRM processes possible. The study concluded that the HRM applications now working in parallel will ultimately converge into a fully integrated application suite. As a result, the exchange of employees between the company's branches would be still better supported, as would the collaboration between those employees, which will contribute in planning and strategy formulations also.

According to Galagan, Pat (2008) provided information regarding the practice of talent management in companies. Talent management is said to be practiced by organizations for decades but is gaining new urgency as companies find they cannot quickly come up with the talent they need to achieve their most critical goals. According to a research conducted by the Institute for Corporate Productivity, there are more than 75% of the companies they surveyed have an agreed-upon definition of talent management. The author says that the essential input to the talent management process forms the basis of effective workforce plans, strategic development priorities, and succession strategies.

The organizations of late started realizing the role of employee satisfaction with regard to the practices, policies for the retention and are coming with new ways to manage. Margaret Deery (2008) examined the literature relating to retention of good employees and the role that work-life balance (WLB) issues have in an employee's decision to stay or leave an organization. The study also provided a brief overview of the seminal material in the more generic management literature and then tailors the discussion to the hospitality and tourism industry using literature from the hospitality and tourism journals. They also provided an overview of the key employee turnover literature within the hospitality and tourism industry for those academics researching in this area,  with specific attention given to the role of WLB issues in the turnover decision-making process. It also provided a theoretical and practical framework for industry to develop strategies for reduced employee turnover, with a focus on the role that balancing work and family plays in these strategies. The key findings emerged from the literature review focused on job attitudes such as job satisfaction and organizational commitment, personal attributes such as positive and negative affectivity, the role of WLB in employee turnover and, finally, the strategies provided to alleviate high turnover rates. Recommendations to management are presented for both government and organizational consideration. These recommendations include the need for legislation on maximum, as well as minimum working hours, good role models at the workplace, flexible working hours and arrangements, sound recruitment and training opportunities and company family friendly work policies.

The organizations face many threats in their practices and procedures for managing talent. Howard P.Stevens (2008) suggested that six sigma / TQM approach that uses talent audit research and an associated database helps in minimizing the five common "pain points" they are – 1) reducing unwanted turnover by accurate skills matching and by using talent audit system for accurately and systematically predicts the effectiveness of hiring the right talent- while avoiding the wrong talent, 2) improving weak succession planning –can be expanded to all levels in the organization through talent audit system-it also reveals data that are definable, measurable and actionable, 3) loosing top talent – is because of poor job fit , 4) matching the right people to the wrong jobs- the talent audit database helps in identifying job performance skills and competencies accurately and 5) training the wrong personnel – talent audit database help organizations tailor their training to the individuals.

Further Schon Beechler, Ian C. Woodward (2009) examined the "global war for talent," the factors that impact it, and organizations' responses to it. Using a comprehensive search of more than 400 contemporary academic and business press articles, the paper reviewed relevant research and reassessed the "talent war." assumed that the dominant approaches to the "talent war is based on a scarcity state of mind and action, often characterized by a tactical and exclusive top talent or "star focus, are being challenged by the emergence of a more evolutionary paradigm. This new paradigm adopted more strategic, innovative, cooperative and generative approaches which were described as creative 'talent solutions. They also highlighted implications for future research, teaching and development in the field.

The first and the foremost place should be to analyze the existing talent through effective performance appraisal. Jantan, Hamidah; Hamdan, Abdul Razak; Othman, Zulaiha Ali (2009) felt that Human Resource (HR) applications can be used to provide fair and consistent decisions, and to improve the effectiveness of decision making processes. Besides, the challenge for HR professionals is to manage the organizational talent, especially to ensure the right person for the right job at the right time. They attempted to describe the potential to implement one of the talent management tasks i.e. identifying

existing talents by predicting their performance as one of HR application for talent management. This study suggested the potential HR system architecture for talent forecasting by using past experience knowledge known as Knowledge Discovery in Database (KDD) or Data Mining. This article consisted of three main parts; the first part deals with the overview of HR applications, the prediction techniques and application, the general view of Data mining and the basic concept of talent management in HRM. The second part was to understand the use of Data Mining technique in order to solve one of the talent management tasks, and the third part was to propose the potential HR system architecture for talent forecasting.

Collings, David G; Mellahi, Kamel (2009) opined that despite a significant degree of academic and practitioner interest the topic of talent management remains underdeveloped. A key limitation is the fact that talent management lacks a consistent definition and clear conceptual boundaries. The specific contribution of their paper is in developing a clear and concise definition of strategic talent management. They developed a theoretical model of strategic talent management. They drew insights from a number of discreet literature bases. Thus, the paper aids future research in the area of talent management through (1) helping researchers to clarify the conceptual boundaries of talent management and (2) providing a theoretical framework that could help researchers in framing their research efforts in the area. Additionally, it aids managers in engaging with some of the issues they face with regard to talent management.

Behrstock, Ellen (2010) opined that teacher recruitment and retention be policy concerns for many years, more over the strategic alignment of educator talent management initiatives has only recently begun to gain momentum. Thus he said that adoption of a more comprehensive and strategic approach to securing a sufficient number of effective teachers is evidenced by the creation of human capital or talent management directorship positions and initiatives in many large U.S. school districts. Talent management directors oversee the various policies and practices that aim to attract top talent to the district. Smaller districts also are concerned with creating the appropriate mix of incentives to maintain a strong teaching force for their students. The education field is not alone in

striving to develop a workforce that can effectively deliver quality service to clients. For years, other sectors, particularly in private industry, have competed for the top talent and, arguably, have been more successful than the education sector at attracting the smartest, most motivated, and most effective college graduates. In this literature review, the author examined effective talent management practices in education and other sectors, with an emphasis on strategies to attract and retain members of Generation Y (i.e., those born roughly between 1977 and 1995.).

According to the Rakesh Gupta & Ajay Pandit ( 2010) the growth of knowledge economy and its increasing contribution to the global economy has brought into focus the importance of highly educated and quality manpower. As the knowledge economy expands, the issue of qualified, skilled and highly educated manpower is going to assume strategic importance for countries as well as for companies. The effect of changing demographic profile and the increasing trend of outsourcing in the services sector has brought into focus the talent pool of many developing and emerging economies of the world. In this context, the Indian talent pool assumes significance for a number of reasons; one is the sheer number of students graduating every year, which makes it the largest talent pool in the world. The other factor is the growth story of the Indian economy that, to a large extent, is dependent on the growth of the services sector, especially the skill-intensive services. They examined in detail the talent pool of India and its higher education infrastructure in the light of the emerging scenario. They looked into the depth and quality of the talent pool to identify the gap areas to see whether certain niche entrepreneurial opportunities exist that can help in overcoming these gap areas. MeritTrac is an example of one such enterprise, which highlights the existence and relevance of these entrepreneurial initiatives.

According to Tarique, Ibraiz; Schuler, Randall S(2010)  the environment for most organizations today is global, complex, dynamic, highly competitive, and extremely volatile, and is likely to remain so for years to come. In addition to these external conditions, most organizations are also facing several global challenges including those related to: talent flow; the managing of two generations of employees, viz., older or

mature workers and younger workers; and a shortage of needed competencies. One major result of these challenges for organizations is that they have to be global and that they have to be systematic in managing their human capital if they wish to have any hope of gaining and sustaining a competitive advantage in the years ahead. Many human resource practitioners and consultants (HR professionals) are now recognizing this, especially those that operate globally, the multinational enterprises. Academics are also showing a strong interest as evidenced by their work in the new area referred to as "global talent management". In this article, the author reviewed the academic work and attempted to organize that literature by creating an integrative framework for understanding and advancing further research in global talent management. The framework highlights several selected challenges in global talent management, and several drivers of those challenges. It also highlights the potential role of IHRM activities in addressing those selected challenges.

The presence of multinational corporations is also a major cause for the talent revolution and shortage. Burbach, Ralf; Royle, Tony (2010) aimed to unravel how talent is managed in multinational corporations, what factors mediate the talent management process and what computerized systems may contribute to the management of talent. The study used a single case study but multiple units of analysis approach to elucidate the factors pertaining to the transmission and use of talent management practices across the German and Irish subsidiaries of a US multinational corporation. Primary data for this study was derived from a series of in-depth interviews with key decision makers, which include managers at various levels in Germany, Ireland and The Netherlands. They found that the diffusion of, and success of, talent management practices is contingent on a combination of factors, including stakeholder involvement and top level support, micro-political exchanges, and the integration of talent management with a global human resource information system. Furthermore, the discussion illuminated the utility and limitations of Cappelli's "talent on demand" framework. The main limitation of this research is the adoption of a single case study method. As a result, the findings may not be applicable to a wider population of organizations and subsidiaries. Additional research will be required to substantiate the relevance of these findings in the context of other subsidiaries of the

same and other corporation. This paper accentuates a number of practical implications. Inter alia, it highlights the complex nature of institutional factors affecting the talent management process and the potential efficacy of a human resource information system in managing talent globally. This paper extended the body of knowledge on the transfer of talent management practices in the subsidiaries of multinational corporations.

Further Iles, Paul; Preece, David; Xin Chuai (2010) in their study observed that HRD practitioners have shown concerns about the status and legitimacy of the occupation, and, arguably, this has not been unconnected to the range of titles HRD has been given over the years. Has there been an element of 'management fashion' about this, or have they reflected some real change at the level of practice? The authors tried to know whether 'talent management' (TM), as a recently emerged area of interest for HRD, could be argued to display features of a management fashion. On the basis of a review of three main perspectives, they concluded that it is too early to say with regard to two of them, given TM's recent emergence and the paucity of empirical material, but that TM displays features of institutionalism in TM talk in the business and professional literature. A research agenda, based primarily on institutional theory, is developed and a number of research questions were outlined.

The emergence of Talent crunch around the globe has grabbed the attention on talent management and thus, Woollard, Stuart (2010) aimed to identify issues around the use of the concept "talent management" and its implementation in an international context. Highlighted techniques/solutions for better international talent management, which can be utilized by those who are responsible for managing a global workforce using the past and current research in the area of talent management, particularly around its various definitions, the reasons for organizations failing to adequately manage and develop their key talent in a global context. The steps taken by the organization to try and improve its international workforce management techniques were also reflected upon. The paper is useful for HR practitioners, particularly those who are part of a global business, as it will enable them to consider some of the challenges of managing a global workforce. Through

the issues and examples highlighted practitioners can evaluate solutions for their organization.

Talent management is not new, it existed since ages but only now its impact is felt even during the global slowdown. Tymon, Stumpf, Doh, (2010) opined that the challenge of global talent management is critical to firm success. Even with the global economic slowdown of 2008 and 2009, there are continuing challenges in attracting, managing, and retaining talent, especially in the developing regions of the world where economic activity has outpaced the availability of skilled employees. To examine this situation, the authors developed and tested a model of talent management across 28 Indian firms involving 4811 professional-level employees. The intrinsic rewards experienced are a critical element in employee retention, satisfaction with the organization, and career success. They explored four antecedents of intrinsic rewards: the social responsibility of the employer, pride in the organization, manager support, and performance management (PM). They found support for the importance of intrinsic rewards as a mediating variable, as well as for the moderating role of certain hygiene factors. They suggested multinational, international, and national employers may have non-pecuniary mechanisms to promote retention and employee satisfaction, even in challenging labor market environments.

**c) Attracting and developing talent -** The ability to attract external talent depends upon how potential applicants view the organization, the industry or sector it operates in and whether they share the values of that organization. The creation of an attractive employer brand is an important factor in attracting external talent. Talent development should be linked to other learning and development initiatives. Appropriate learning and development interventions are required at relevant stages in a career path for talented individuals to achieve their maximum potential. Developing talent needs informal as well as formal learning interventions. These interventions have included conventional development activities but there is also the opportunity to use creative alternatives such as talent coaching and mobility.

McCauley, Cindy; Wakefield, Michael (2006) addressed 5 major key points towards attracting, developing and keeping the strong workers in the organization They are 1. Businesses should be constantly challenged for attracting, developing, and then retaining skilled employees, which points to the need for talent-management processes. 2. The processes should include workforce planning, talent gap analysis, recruiting, staffing, education and development, retention, succession planning, etc. 3. A successful talent-management program requires the cooperation of all departments and managers. Authors explained several ways to become more involved in the process such as: realizing the management potential and adopting a talent mindset. 4. The authors identified that leadership development processes contribute to successful talent management in many ways, including:, developing individual leaders, assessing leadership needs, and coaching and providing feedback. 5. best practices followed by organizations that excels in talent management.

Organizations across the world are aware of the importance of talent. They are thus adopting new approaches to be ahead in the competition along with relying on the technology. Rafter, Michelle V (2006) stressed that growing number of companies have adopted talent management systems, which is a term that describes the employee development side of the human resource (HR) business that the software suite address. As the U.S. economy improves, companies are adding jobs and looking for better, more efficient ways to maximize the talents of the people they hire. Major HR technology players Oracle and SAP have learning or talent management, but are not market leaders.

Reasons for leaving the organizations were listed through various surveys carried out by authors. Hansen, Fay (2007) discussed the findings of several surveys related to the management of talent, a term used to identify core group of leaders and key contributors who drive the business forward. In the Towers Perrin survey, only 16 percent of the surveyed organizations have a senior talent management position to focus specifically on the organization's talent strategy. The other survey revealed that the top reasons given by top-performing employees for resigning are pay, promotion opportunity and stress.

Management of the talent is of prime importance for the organizations. Alice (2008) referred to policies, which deals with the manpower of an institution, which includes recruitment, career development, and compensation. Thus, stressed on strategy, which involves organizational commitment, management and technology. Moreover, also discussed regarding the risk a business might encounter with the absence of talent management.

JR, Roberto (2008) studied the high attrition rates among female and minority attorneys opting to work at law firms. The high attrition rates of these attorneys have persisted during a period in which many law firms have adopted diversity initiatives with the explicit goal of attracting and retaining minority attorneys. This examined an initiative outside the law firm context in order to provide insight into the failures of law firm diversity programs and prospects for reform. The catalyst for this alternative approach to promoting racial and gender equality is an innovative initiative designed to increase the retention and promotion of women in the workplace at Deloitte & Touche USA LLP. The important strategies employed by Deloitte include: (1) the development of all employees, premised on the assumptions that everyone has the capacity to improve, should be given the opportunity to flourish within the organization, and should engage with the organization as a full participant; (2) an understanding of the psychological approaches to individual and organizational learning so as to effectuate learning from error and engagement with the organization; and (3) the creation of processes and conditions that support these kinds of changes over time. Despite the challenges facing law firms in implementing these concepts, the study provided with an opportunity for law firms to reassess and reshape their traditional understandings.

Talent management is important at all the levels of the organization; it is all the more important for the top management. Edwards, Beverly (2008) at the University of Pennsylvania placed great emphasis on talent management, specifically on attracting and retaining top-notch people. One way it accomplished this was by offering several avenues by which its employees can further their careers. Penn's large, decentralized structure provides significant opportunities for career growth; however, university staff members

must take a proactive role in their own development. The university supports and encourages these efforts through a variety of programs.

According to Todericiu, Ramona; Muscalu, Emanoil (2008)  a firm is like a tree. Part of it is visible - its fruits - and part of it is hidden - the roots,  if concentration is on the fruits and roots are ignored the tree will die. For a tree to be able to grow and continue producing, one has to see that the roots get their nourishment.

Leaders are very critical for any organizations success and hence organizations should develop the leaders as a top priority. Cristopher Rhodes, Mark Brundrett & Alan Nevill (2008) reported on the outcomes from a study funded by the National College for School Leadership (NCSL) designed to explore leadership talent identification, development, succession and retention in contextually different primary and secondary schools in England. Focus groups and a questionnaires were used to secure perceptions of heads, middle leaders and classroom teachers about leadership talent identification and development. Twenty characteristics indicative of leadership talent were identified from the study. Agreement and disjuncture were recorded concerning the importance of characteristics among respondent groups. The implications of these findings for leadership development and succession, in the face of a potential leadership crisis in the UK and internationally, were also discussed. The long-term career planning of staff, the place of needs analysis, self-disclosure and senior leadership decision-making are also examined with respect to leadership talent identification and development. Thus offering a basis upon which schools can reflect on their role in providing a good training ground for future leaders. School-based changes are recommended so that individual school's longer-term leadership requirements may be better addressed.

According to  Sandra Watson ( 2008)  the range of research that has been published in the field of hospitality management development, highlighted the implications of findings for the field of talent management. This paper provided a literature review into factors influencing and components of management development. Literature that addresses management learning, management development and career progression are covered as these are seen to impact on talent management. Secondary research into articles

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published under the broad heading of "management development in the hospitality industry" in management, hospitality and tourism journals from 2000-2007 was conducted. After this initial trawl the author themed these into categories to aid presentation and discussion of findings. And found that there are four key areas, which emerge from this review. First, there is research which focuses on factors which influence management development; second, there is a focus on hospitality management skills and competencies; third, there is work on hospitality careers; and finally, there is work on hospitality management development practices. Thus, highlighting the relationship between characteristics and approaches traditionally associated with management development to those that can now be seen to fall within the rubric of talent management. The author concluded with the presentation of a framework to articulate key characteristics and influences on management development and talent management in the hospitality industry.

Development of the individuals and employees is of high priority for any organization and the best way to develop is through inculcating a strong culture for learning in the organization. Little, Bob (2010) gave an overview of the development of talent management systems and their evolving relationship with learning management systems (LMS) and learning content management systems (LCMS). Factual reporting method was used to provide the overview. Found that the traditional LMS is in decline, where as the LCMS has much in common with - and can augment - a talent management system. Technological developments (cloud computing, Paas and so on) are having an effect on these relationships. Thus identified the Practical implications as - Talent management systems are becoming increasingly important for would-be successful large (especially multi-national) companies. The capacity and the business requirements of the LMS have changed considerably. The LCMS offers a number of advantages for the modern business over the LMS and can collaborate with a talent management system to achieve strategic business objectives. Competency data - and competency management - lie at the heart of building competitive advantage in the modern business world. This is the first such analysis of the development of talent management systems and their evolving relationship with LMS and LCMS in relation to the corporate learning sector.

Bjorkman, Ingmar; Smale, Adam (2010) stressed that the supply of talented employees fails to keep up with demand, as is evidenced by the growing number of multinational firms that placed importance on the global systems to identify and develop talent. However, most of these firms have begun to acknowledge the host of challenges involved in the design and implementation of such systems. Thus, the author discussed the challenges that multinationals face in identifying talent, the actions they take with their pools of talent, and make suggestions for how these challenges might be addressed.

Ensley, Michael D.; Carland, James W.; Ensley, Rhonda L.; Carland, JoAnn C.(2010) opined that this is a treatise on the development and validation of the Executive Smart Talent Management System which has the ability to determine leadership roles in organizations, and provide a fit for that role through the assessment of applicants. The ability to determine who is best fitted for an organization and those who must be eliminated for the benefit of the organization is in and of itself an exceptional tool; however, this system can be utilized for the training and development of those personnel already entrenched in an organization.

According to Bhatt, Monica,  Behrstock, Ellen (2010) the policy analysis explains the need for a system approach to educate talent management. They analyzed how state policies in the Midwest support the development of effective teachers and leaders throughout their career. The report also focused on state policies in teacher preparation including certification and licensure, recruitment and hiring, induction and mentoring, professional development, compensation and other financial incentives, working conditions, and performance management. The analysis posits that the creation of a systemic approach to educator talent management falls under the purview of states and must be developed by state leadership across agencies and sectors. They offered five recommendations for policymakers to move toward a more systemic educator talent management system. The recommendations are: (1) Assess the status quo of your educator quality policies; (2) Create a cross-organizational team to develop a unified vision and strategic plan for educator quality in your state; (3) Identify all stakeholder

groups and partners and specify the level of engagement for each group at every stage of the policy development process; (4) Focus on the development of school leaders as well as teachers; and (5) Ensure that all initiatives to improve educator quality will be assessed on how well they meet the intended goal.

**d) Process of Talent Management -** People are undoubtedly the best resources of an organization. Sourcing the best people from the industry has become the top most priority of the organizations today. In such a competitive scenario, talent management has become the key strategy for identifying and filling the skill gap in a company by recruiting the high- worth individuals from the industry. It is a never-ending process that starts from targeting people. The process regulates the entry and exit of talented people in organization.  The implementation of talent management process that is transparent and equitable is expected to create an environment for people to develop their skills in preparation for a range of future possibilities thereby preparing the workplace for changing roles. Talent management process is very complex and is therefore, very difficult to handle. The sole purpose of the whole process is to place the right person at the right time. The main issue of concern is to establish a right fit between the job and the individual.

The importance of the people should be recognized and people should be encouraged and involved in all the activities. Altman, Wilf (2008) opined that talent management is a process of attracting and retaining human capital. Talent management is the key practice for the winning organizations. The organizations are trying to set up talent management processes, but the real success, the authors feel can be achieved when the organizations engage the hearts and minds of individuals. Individuals joining an organization need to feel that they are valued and that their contribution will make a difference. The new paradigm is talent management focus on developing and retaining good people. Companies that are known to practice talent management have a better chance of attracting recruits at all levels. One of the key challenges organizations face, is to identify and develop the next generation of talent.

While commenting upon the challenges of talent management, Norma D'Annunzio-Green (2008) tried to explore the managers' views on the challenges and opportunities around the talent management (TM) pipeline in a range of hospitality and tourism organizations. The paper focused on drawing out key issues and suggesting practical actions arising from these. The paper relied primarily on a number of in-depth interviews with senior managers representing a wide range of sectors in the industry. Managers' views were summarized and quotes were used to illustrate key themes. The findings are that each stage of the TM pipeline needs to be explored and also revealed a number of contextual, strategic and operational concerns around the implementation of TM policy and processes. Findings indicated clear commitment towards the value of TM but revealed that some policy areas were felt to be underdeveloped. Approaches to TM were organization specific, and driven by internal expertise and available resources. Organizations should fit and tailor their TM approach to their own context. A number of practical implications also emerged from this paper specifically relating to defining, attracting, retaining developing and transitioning talent. The paper provided a senior management perspective on TM and allowed the reader with a unique insight into the complexities of managing talent in the hospitality and tourism sector, highlighting the issues that organizations are facing.

Hor, Huang, Liang – Chih; Shih, Hsu-Shih;Lee, Yen-Hua; Stanley Lee, (2010) designed a leadership development program for a company's succession planning which is important for its future competition. A semiconductor assembly and testing multinational corporation (MNC) in Taiwan were selected for interviews of its high level management to address the business strategy and challenge. Along with the investigation of the literature, the research also looked at the experiences and leadership competencies needed for those in leadership positions. The major consideration on designing leadership development program is to deal with many intangible factors, as well as dependent relationship among experiences and leadership competencies. The experts applied ANP approach to overcome both difficulties through pair wise comparisons. A weight system of experiences and leadership competencies was then built for designing the leadership development program, as well as the decision basis of leadership selection. The model

was approved by top management at the case company and was implemented to prove its validity.

In a study conducted by Y.Lewin, Silvia Massini and Carine Peters (2009) they empirically identified determinants of decision by companies to offshore innovation activities. They used survey data from the international off shoring Research Network project to estimate the impact of managerial intentionality, past experience, and environmental factors on the probability of off shoring innovation projects. The results showed that the emerging shortage of highly skilled science and engineering talent in the US and, more generally, the need to access qualified personnel are important explanatory factors for off shoring innovation decisions. Moreover, contrary to drivers of many other functions, labor arbitrage is less important than other forms of cost savings. Hence, concluded with a discussion of the changing dynamics underlying off shoring of innovation activities, suggesting that companies are entering a global race for talent.

However, Collings, David G.;Anthony McDonnell; Scullion, Hugh (2009) felt that despite more than a decade of hype around the concept of talent management, the knowledge regarding its application in practice, particularly in the international context is very limited. Developing on Malcolm Gladwell's influential book The Tipping Point, and in particular his concept of the 'law of the few', authors argued that it is a few key individuals positioned in pivotal roles which make the critical difference in terms of differentiated organizational performance.

**Research Gap and need Identification**

A glance at the literature reviewed on competence management and talent management reveal the following:

1. The articles related to the identification of competencies, models of competency management but did not reflect on the use of competencies in all the strategic  HR functions. In addition, studies did not throw light on how the organizations can equip themselves for competency management. There was also no evidence of the

specific role of HR in competency management. For instance identification and usage of competencies in recruitment and selection, training was studied but the other functions like performance appraisal, compensation management, career management etc were limited.

2. A significant amount of literature was available on talent management. The definition, the importance of acquisition, the strategies for retention was included. But talent development and the overall management of talent was missing

3. The literature on competency management and talent management is scattered and is available in isolation to each other. Studies did not link these two concepts to highlight the outcomes arising out of the same.

4. Studies on competency management also did not throw light on the awareness and usage of competencies at various levels – operational level, middle management level and the top management level – in the organization. Further the relationship between competence management and talent management is yet to be explored in terms of the application of competencies in managing talent.

5. Competence management and talent management as concepts are of recent origin. Hence studies are not only limited but also the literature reflects global and macro picture. The studies in the Indian context are limited to the industry practices rather than systematic scientific enquiry, thus leading to significant research gaps. Moreover sect orally, the IT sector has been the focus but studies conducted in the Indian IT sector are rooted in the MNC's in India rather than companies rooted in the Indian origin.

Thus, the above issues evidence significant research gaps, which need to be addressed to generate data and literature in the area of competence, talent management and also to further research. Moreover, Competency and talent management in IT sector in India, particularly in the era of globalization has not been covered in any of the studies from a holistic perspective. Understanding the role of competency and talent management in the era of globalization assumes all the more significance due to the boom of IT sector, shortage of right talent and retaining the talent are the important challenges the IT industry is facing. The importance of competency management and talent management

stems from the fact that India received in terms of its vast pool of technical competence. This necessitates studies in this direction to examine the process of managing talent using competency management tool.

This study is an attempt in this direction and seeks to examine competence management as a tool of talent management in the IT organizations in India. The research methodology is presented in the next chapter.

# CHAPTER - III

# RESEARCH METHODOLOGY

The available literature on competency management is not highlighting the problems in using competency management practices and factors, which help in managing employees. However, it helps in arriving at a *conceptual framework* to guide the empirical investigation.

**The Concept**

*Competencies* are the skills, knowledge, abilities and other characteristics that are required to perform a job effectively (Jackson and Schuler, 2003) **i**s the concept used in the study. *Competency management* is described as an integrated set of human resource activities aimed at optimizing the development and the use of employee competencies in order to increase individual effectiveness, and, subsequently, to increase organizational effectiveness ( Van Beirendonck, 1998).

Jackson and Schuler (1990) defined *talent management,* as an architecture where a set of processes are designed to ensure there are an adequate number of employees for jobs within an organization. It is having the right resource available at the right time for the right jobs. These form the conceptual basis for the study.

**Framework**

The conceptual framework for the study was arrived at, after incorporating the major constructs previously identified in the literature. The awareness, application and perceptions of individuals on competency management lead to talent management. The individuals would equip themselves with knowledge skills and competencies towards the possibility of their talent being acquired, (Jyotsna Bhatnagar (2007), Giuseppe Beiro(2007)) performed in such a way that their talent is developed (shein, 1996) and they are retained thus ensuring their continued employability in the organization ( Marrelli, 1998). Similarly even at the organizational level the awareness, application of

competencies leads to talent management(C K Prahlad & Gary Hamel, 1990; Thomas V. Durbin, 2006; William Rothwell & John E Lindholm, 1999; Chris Ashton, 2005; Arthur, 1994). The organization thus will be able to acquire, develop and retain talent using competency management as a tool (Marrelli, 1998).

**Figure 3.1 – Research Framework.**
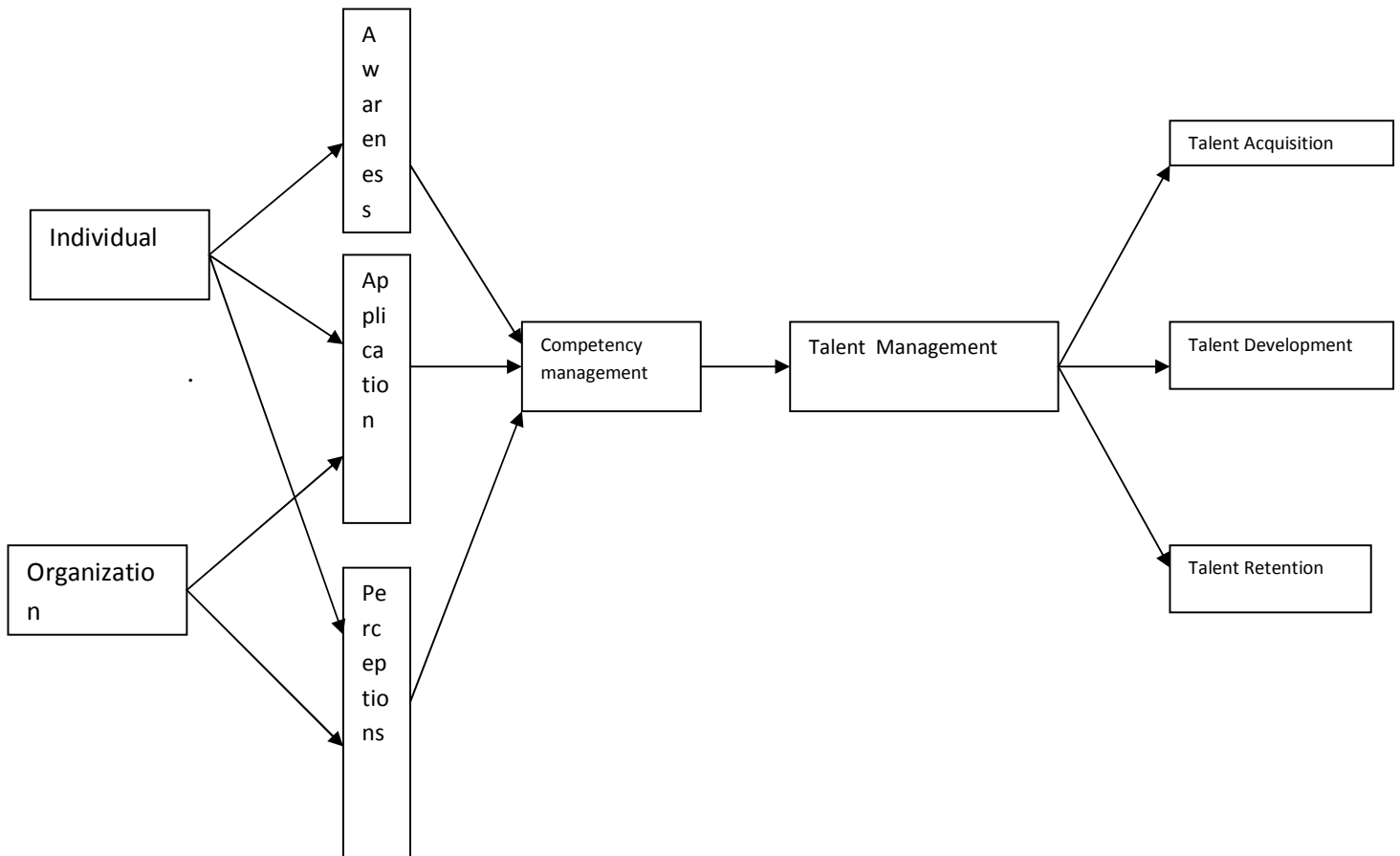


This framework throws up certain research questions, which are given below. This framework also guided the development of some primary *research questions* for the study. They are

**Research Questions**

1. What is the role of competencies at the individual level?
2. What is the role of competencies at the organizational level?
3. How should an organization equip itself for competence management?

4. How does the competency management benefit the individual?

5. How does the competency management benefit the organization?

6. How should Competencies be identified?

7. Which HR functions support competencies identification, development & management?

8. How should the HR go about with competency management in terms of recruiting, training, performance appraisal, succession planning, learning management and compensation management?

9. What are the competence management tools used for talent management?

10. What does TM imply and entail?

11. Is TM limited to talent acquisition, talent development & talent retention?

12. What is the relationship between competence management and talent management?

13. What are the enabling factors of talent management?

14. What are the disabling factors of talent management?

All these questions have been brought together in a framework from studies conducted independently and in isolation to each other to address the questions and also objectives framed for the empirical study. As Storey (1994) puts it the vast bulk of studies have been conducted independently of each other. Frequently they address issues of specific interest to the researcher, but do so in a way, which makes comparability with other studies difficult.

**Objectives of the Study**

Broadly the study examines the competency management practices leading towards talent management in Indian IT organizations. More specifically the study aimed

❖ to examine whether competency management as a practice is used by the Organization;

❖ to examine weather the individuals employees are aware of the competency management practices and its applications in the organization;

- ❖ to identify the different HR functions where the competency based tools are used;

- ❖ to identify the enabling factors for managing talent through competency management; and

- ❖ to study the relationship between competencies and Talent Management;

**Scope of the Study**

The scope of the study was determined based on the geographical area to be covered, the time frame for data collection, availability of the data and willingness to share the information by the organizations. This research is limited to study the competency management as a practices to manage the talent in Indian IT organizations. IT organizations performing business for more than five years continuously and having staff strength of 50 and above have been considered for the study. In a way, while there was no upper limit for the number of years, the minimum organization age was determined with the cut off year of establishment as 2004.

**Research design**

The study is exploratory in nature. Literature evidences little information on similar issues and solutions in the past. This entailed the construction of the conceptual framework based on isolated studies conducted in different contexts. Documentation in the Indian context is much more limited due to the security reasons and relatively new phenomena of competence management. The qualitative data had to be collected to comprehend the problem and understand the phenomena in the absence of a validated framework. The study aims at finding out the awareness of employees about competency as a concept, awareness with regard to different contexts, application of competencies with regard to identifying the different HR functions which use competencies, identifying the levels where the competencies are used in the organizations, finding the enabling and disabling factors of talent management in the organizations. Survey method was used to collect the relevant data/information.

**Assumptions of the Study**

The concept is new in India, few research studies evidence literature on the subject. The data is limited and inconclusive about the relationship between competence management and talent management. Eisenhardt (1989) states that theory building research should begin as closely as possible to the idea of no theory under consideration and no hypothesis to test. However, some assumptions could form a starting point for the study to prevent *data dredging*. Studies on competence management as a tool to manage talent were inconclusive and hence, the study starts with some assumptions. They are

- ➢ Awareness of competency management practices leads to individual benefit.
- ➢ Competency management helps organizations in Talent management.
- ➢ Competency management contributes in talent acquisition, development & retention.
- ➢ Competency management leads to better HRM.

**Pilot Test**

Cooper and Schindler (2001) suggest that a pilot test be conducted to detect weaknesses in design and instrumentation and provide proxy data for selection of a probability sample. It should draw subjects from target population and simulate the procedures and protocols that have been designated for data collection. The pilot test is to be conducted exactly the way that is planned to take place in a later stage on which the official survey should be implemented (Cooper and Schindler, 2001). A Pilot study involving the administration of a preliminary version of the survey with 2 structured questionnaires to a random sample of 45 senior managers and middle level staff working in IT organizations for knowing the practicality / feasibility of the instrument. The purpose of pilot study was to improve the face validity of the survey instrument and to enhance psychometric properties of the scales. The pilot study conducted was found to be consistent with Nunnally's (1978) recommendation that subjective assessments be made of a survey instrument to ensure that the questions are understandable and that the scale items represent the underlying constructs of interest. After pilot study, as per the output of the analysis and researcher's observation, two questions were removed one each from the factors contributing to talent and role and practice of competence at the individual and

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organizational level, and also the wordings of two questions were changed on the awareness of competence. Moreover, one question was added related to the factors not contributing to talent. The instruments were validated and the reliability value for employee questionnaire was 0.747 and senior executives was 0.657 (cronch bach alpha value). A sample of the questionnaire prepared for senior executives and the employees in general are attached at **Appendices A to B** respectively. The questionnaire prepared for the senior executives was taken as the base. Similarly, the employee's questionnaire was also prepared after suitably framing the questions. As evident from the employee's questionnaire, views were solicited for the same question from both the groups – senior executives and employees so as to examine the patterns/trends in their views.

**Validity and Reliability**

The ensuring of validity and reliability is a prerequisite for research data in order to circumvent possible shortcomings and pitfalls in research results (Ehlers, 2009). Validity of the variable reflects the extent that differences related to the construct that are sought to be measured (Hair et al., 1999).

According to Cooper and Schindler (2001) many forms of validity exist. The two major ones are external validity and internal validity. Internal validity refers to the extent, which a test measures what is intended to measure. On the other hand, external validity refers to the extent of generalizability of the results of a study across persons, setting or events. The reliability of a variable is a necessary but not a sufficient condition for its validity. Validity can never be established unequivocally, but can only be inferred either by direct assessment or indirectly by assessing reliability. According to Hair et al. (1995), reliability of a variable reflects the extent to which a variable is consistent in what it is intended to measure. If multiple measurements are taken, reliable measures will be very consistent in their values.

Reliability applies to a measure when similar results are obtained overtime and across situations. Broadly defined, reliability is the degree to which measures are free from error, and therefore yielding consistent results. Imperfections in the measuring process that effect the assignment of scores or number in different ways each time a measure is taken, such as a respondent who misunderstands a question, are the cause of low

reliability (Hair, 1999). There are two dimensions that underline the concept of reliability. The first dimension is concerned with repeatability, which requires the use of test – retest method to administer the same scale or measure to the same respondents at two separate times in order to test for stability (Hair, 1999). The second dimension of reliability is concerned with the homogeneity of the measure. To measure the internal consistency of a multiple – item measure, scores on subjects of the item within the scale are correlated (Hair, 1999).

Wilkund (1999) also points out that the reliability of a measure is established by testing for both stability and consistency. Consistency indicates how well the items measuring a concept hang together as a set and Cronbach's Alpha is a reliability coefficient indicating how well the items in a set are positively correlated to one another. Cronbach's Alpha is computed in terms of the average inter–correlations among the items measuring the concept. The closer Cronbach's Alpha is to 1, the higher internal consistency reliability (Green and Mulaik, 1977; Hair, 1999).

According to Hair et al. (1999), no single item is perfect measure of a concept. Researchers must rely on a series of diagnostic measures to assess the internal consistency. First, there are several measures relating to each separate item, including the item-to-total correlation (the correlation of the item to the summated scale score) or the inter –item-correlation (the correlation among items). Rules of thumb suggest that the item-to-total correlations exceed 0.35 and that the inter-item correlations exceed 0.3. For the second type of diagnostic measure, the generally agreed upon lower limit for Cronbach's Alpha is 0.7, although may decrease to 0.6 in exploratory research (Hair et al., 1999; Nunnally, 1978).

In order to assess the reliability of the measures in this study, item-to-total correlations and Cronbach Alpha were employed. And as suggested by Nunnally (1978), the criteria for retaining a scale item includes an item to total correlation of at least 0.35 (Nunnally, 1978) and a Cronbach Alpha for the scale of at least 0.70, however, it may decrease up to 0.6 in exploratory research (Hair, 2002).

The SPSS produced separate internal consistency test (i.e. reliability cronbach alpha test )for the senior executives and the employees in Bangalore, Chennai, Hyderabad and Pune as the whole data set. It was noted that Bangalore, Chennai, Hyderabad and Pune sample are homogeneous and suitable for assessing the reliability of the construct.

Table 3.1 reports the results of the Cronbach Alpha values on employees perception for the variables of awareness on HR functions using competencies, identifying the competency practice of the organization, satisfaction rate with the competencies, factors that determine talent and the factors that disable the talent management practice of the organization are found to be 0.891, 0.650, 0.638, 0.884, 0.722 respectively which indicates that they satisfactorily met the requirement by Nunnally (1978).

**Table 3.1 Reliability analysis for variables of the employees**

| Variable | Cronbach's Alpha | No.of items |
|---|---|---|
| Perception on competence based HR functions | 0.891 | 17 |
| Perceptions on the role of competencies | 0.650 | 7 |
| Perceptions on talent management practices | 0.638 | 7 |
| Enabling factors of talent management | 0.884 | 12 |
| Disabling factors of talent management | 0.722 | 6 |

Table 3.2 reports the results of the Cronbach Alpha values on senior managers perception for the variables of awareness on HR functions using competencies, identifying the competency practice of the organization, satisfaction rate with the competencies, factors that determine talent and the factors that disable the talent management practice of the organization are found to be 0.746, 0.691, 0.631, 0.859, 0.799 respectively which indicates that they satisfactorily met the requirement by Nunnally (1978).

**Table 3.2 Reliability analysis for variables of Senior Managers**

| Variable | Cronbach's Alpha | No of items |
|---|---|---|
| Perception on competence based HR functions | .746 | 18 |
| Perceptions on the role of | .691 | 8 |

| | | |
|---|---|---|
| competencies | | |
| Perceptions on talent management practices | .631 | 8 |
| Enabling factors of talent management | .859 | 12 |
| Disabling factors of talent management | .799 | 6 |

**Data Collection**

The primary and secondary was collected from the respondents. The secondary data related to the information containing the literature review in journals, books and the information/manuals/websites of the respective enterprises.

The primary data was collected from two specifically designed questionnaires - managers and employees. The questionnaire was designed to elicit the following information:

❖ The demographic profile of the employees and managers – department's educational qualifications, gender and work experience etc.

❖ The awareness levels of employees and managers on the competency management practices of organizations..

❖ To find out the different HR functions that are competency based in the organizations.

❖ Identify the different hierarchies, where the competency practices are implemented.

❖ Finding the opinions and perceptions on competency as a practice and as a strategy to develop the organizations.

❖ Opinion on the contribution of competency management in managing the talent.

❖ Finding the basis on which talent is identified.

❖ Identify the enabling and disabling factors of talent management in the organization.

❖ To identify the problems in implementing competence practices in organizations.

Visit to organizations and the different Departments, collecting relevant information through a specifically designed instrument on the various issues gave the opportunity to

meet the senior managers and employees. Interacting with them face-to-face provided useful information to the researcher in the collection of data. Thus, the researcher collected data from the respondents and there were some cases, when the researcher was allowed to address the respondents about the importance of competencies and competence management, which enabled the respondents to have better understanding of the concept. Thus, data collection started in April 2009 and ended in April 2010.

**Tools and Techniques**

Primary data was collected with the help of two questionnaires. The data relating to respondents in the talent management process – senior executives and employees was collected through a specifically designed questionnaire, which contained open ended and closed ended questions. Respondents were also provided with certain statements and the subjects were asked to indicate their response for the same. In addition, factual data relating to the respondents was also collected from them. Scaling techniques were used to collect data on their perceptions about competencies, talent management practices in the organization and in general. A four-point scale was deployed to collect this data so that the responses could be conveniently classified based on the stand taken by the respondents. For example 1. Strongly agree, 2. Agree, 3. S*trongly disagree 4. Disagree.* These instruments were prepared after a detailed literature survey and consultation with experts.

**Sample**

The population for this study included senior managerial-level executives and the employees working in Information Technology organizations in India.

**A) Selecting the Organizations** – The first step was selecting the organizations for the study. Since India is a hub of Information Technology organizations, the organizations from four cities basically the four happening cities in the IT sector Bangalore, Chennai, Hyderabad and Pune were selected. The "NASSCOM" database of companies was used to select 33 organizations using the software MAT LAB for random selection from a population of 99 registered organizations at the time of data collection (Annexure – C). The organizations were chosen based on the 1) organization size (workforce size), and 2)

number of years of operation. It was decided to select organizations, which had more than 50 employees, and those that were in existence for 5 years. Thus, the chosen organizations had workforce size varying from 50 to 38,000. The number of years of operations  varied from 5 to 22 years among the chosen organizations. 33 organizations drawn from IT-sector were selected for the study, thus covering 33% of the population. Details are given in table 3.3.

**Table 3.3 Description of the sample.**

| Cities | Bangalore | Hyderabad | Chennai | Pune | Total |
|---|---|---|---|---|---|
| Population | 37 | 19 | 27 | 16 | 99 |
| Sampled organizations | 12 | 7 | 9 | 5 | 33 |
| Sampled employees | 240 | 140 | 180 | 100 | 660 |
| Sampled Managers | 46 | 47 | 48 | 28 | 169 |
| Sampled Employees | 135 | 65 | 90 | 46 | 336 |
| Total | 181 | 112 | 138 | 74 | 505 |

The researcher had initially approached the organizations and took permission from the HR manager for data collection in the respective organizations through references and also sent e-mails to the Chief Human Resource Officers of the sample organizations detailing the objective of the study, method of data collection and significance of the study from managerial as well as academic perspectives. The organizations were requested permission to collect data from the chosen sample.   Only thirty-three

organizations had given their consent to participate in this study.  All the participating organizations requested the author not to reveal their identity anywhere in the reports generated out of this study.  The organizations, which participated in this study, represented Information Technology sector.

**B) Selecting the employees** –The organizations that had given their consent to participate varied in terms of organization size, total number of years of operation, and management philosophy. The next step is to select the employees. The sampling strategy was to survey 20 employees chosen through stratified random sampling method from each of the organizations. It was decided to include the heads of the various functions in the organization under the *senior category* hence at least 5 from each of the organizations was the targeted sample representing this category. The employees were identified with the help of HR manager from among those who had a fairly long tenure in the organization and willing to participate in the study from the employees in the organization.

In each of the organizations, a list of projects was prepared.  Then using a random-numbers table, employees were selected from the list to be included in the sample. Employees were given assurance that their decision to participate or not participate and their responses would have no impact on their employment.  They were also assured of complete confidentiality and anonymity of their data.

In six other organizations, chosen respondents were sent communication on the purpose and procedures involved in filling the questionnaires.  They were given twenty days time period to return the filled-in questionnaires to the respective HR coordinators. Later on the researcher collected the questionnaires from the HR.

In other organizations an e-mail communication was sent to the chosen employees and the researcher personally visited them in their work place and assisted them in filling in the questionnaires. The operationalization of the instruments used to capture independent, and dependent variables are described in the following lines.

 **Data Analysis**

Data was analyzed using descriptive statistics such as frequencies and percentages for analyzing the factual information regarding the awareness on competence management practice and the HR functions that are competence based or should be competence based and presented using graphs wherever found necessary.

The *awareness* was measured by using their responses on levels of implementing competence practices in the organization and who identifies competences for each job. To measure the *opinion/perception* of the employee on the competence management practice for managing the talent a four-point scale was used. They have been analyzed through factor analysis. A 4 point scale was used with a rating on a scale of 1-4 with 1 strongly agree, 2 agree, 3 disagree and 4 strongly disagree. The mean and standard deviation was calculated to check consistency in their perception. In addition, a factor analysis was done to resolve a large set of variables into factors. The data collected from the respondents was subjected to principal component, factor analysis by Varimax Rotation with Kaizer Normalization method by using the criterion that factors with Eigen value > 1.00 were retained. Loadings exceeding 0.5 were considered for determining factors. To avoid the crowding of factors, this measure was taken although the literature allows a loading of 0.33 to be the absolute minimum value to be interpreted. This criterion is being used more or less by way of convention (Vasanthi and Rayappan, 2006).

Before carrying out factor analysis, sampling adequacy has been measured by carrying two tests-Kaiser-Meyer – *Olkin (KMO) and Bartlett's Test* of sphericity. In the KMO test, the statistic varies between 0 and 1. A value close to 1 indicates that the patterns of correlation are relatively compact and so factor analysis should yield distinct and reasonable factors. KMO measure - value greater than 0.5 should be acceptable. Furthermore values between 0.5 and 0.7 are mediocre, values between 0.7 and 0.8 are good, values between 0.8 and 0.9 are great and values between 0.9 and 1 are superb. Similarly, Bartletts Test of Sphericity should have significant value of less than 0.05. The above two tests have been carried out for the entire population.

To understand the enabling and disabling factors of talent management a 4 point scale was used with a rating on a scale of 1-4 with 1 strongly disagree, 2 disagree, 3 agree and

4 strongly agree. The mean and standard deviation was calculated to check consistency in their perception. In addition, a factor analysis was done to resolve a large set of variables into factors. The data collected from the respondents was subjected to principal component, factor analysis by Varimax Rotation with Kaizer Normalization method by using the criterion that factors with Eigen value > 1.00 were retained. Loadings exceeding 0.5 were considered for determining factors. Lastly, content analysis and interpretation of the various statistical tests are done to arrive at inferences and satisfy the objectives of the study.

**Limitations**

It is but natural for research studies to have limitations either in the fieldwork or the sample selection or other dimensions of the research work. There were many limitations firstly getting the HR permission for data collection was very difficult from the Information technology based organizations. Secondly, the information technology employees work in shifts and hence approaching them at one go was difficult. Thirdly, due to time bound projects employees could not fill the questionnaires and fourthly, the lack of awareness / interest on research with the employees was very difficult to get the questionnaires filled. Arriving at a conceptual framework was difficult more so in developing context like India where it is relatively a new phenomenon. Moreover the study is based on a limited sample covering only four cities in the country. Hence suggestions have to be made with caution as they apply to those designated regions. Almost all the stakeholders in the process have been included but the top management as policy makers and their views on the subject of study are not included in this study. *Above all*, absence of research culture among the subjects was a serious limitation. Repeated visits, calls and meeting them for data and the time frame of one year for data collection is evident enough for the absence of research culture in India. The study thus, conducted is presented in the following chapterization scheme.

**Chapterization Scheme**

The study has been organized into six chapters.  The details are as follows.

**Chapter I** introduced the theoretical concepts of competencies, competence and talent management with specific reference to the Information sector enterprises of the country. The chapter also focused on the importance of human resources development in information sector enterprises in the era of globalization and the importance of talent and their management in enhancing and developing the capacities and competencies of the human resources.

**Chapter II** highlighted the literature survey made by the researcher from various sources, which include journals, books, websites, lectures, magazines, newspapers, etc.

**Chapter III** dealt with organizational profile of the sampled IT organizations wherein the focus was to provide a brief overview of the organizations.

**Chapter IV** dealt with research methodology adopted by the researcher wherein a conceptual framework was developed based on the literature survey. The chapter also provided the details of the study including research design, data collection, tools and techniques of data, data analysis, limitations, etc.

**Chapter V  & VI** pertained to employees and senior managers data analysis, which included the tabular representation of the data, graphical representation of the data, cross tabulation of the data and finally the results of the factor analysis.

**Chapter VII** discussed the concluding observations and suggestions wherein some important dimensions of competence and talent management were highlighted.

The study was thus conducted in the sampled organizations, an overview of which is presented in the next chapter.

# CHAPTER - IV

# OVER VIEW OF ORGANIZATIONS

## Indian IT Industry

The IT sector has been playing an important role in the economic development of the country. Over a very short period of time, IT sector in India has achieved growth due to continuous support from the government. Resultantly, the IT organizations spread throughout the India and thereby are playing a dominant role in spurring development and growth of the economy. This chapter provides the origin and growth of IT sector in India along with their role in the changing scenario. It also includes an overview of the select IT organizations under study.

India's IT Services industry could be traced to Mumbai in 1960's with the establishment of Tata Group in partnership with Burroughs. The Indian Government acquired the EVS EM computers from the Soviet Union, which were used in large companies and research laboratories. In 1968 Tata Consultancy Services—established in SEEPZ, Mumbai by the Tata Group—were the country's largest software producers during the 1960s. As an outcome of the various policies of Jawaharlal Nehru (office: 15 August 1947 – 27 May 1964) the economically beleaguered country was able to build a large scientific workforce, third in numbers only to that of the United States of America and the Soviet Union.

Relaxed immigration laws in the United States of America (1965) attracted a number of skilled Indian professionals aiming for research. In 1960 as many as 10,000 Indians were estimated to have settled in the US Kapur (2006) By the 1980s a number of engineers from India were seeking employment in other countries. In response, the Indian companies realigned wages to retain their experienced staff. The Encyclopedia of India, Kamdar (2006) reports on the role of Indian immigrants (1980 - early 1990s) in promoting technology-driven growth.

During1977-1980 the country's Information Technology companies Tata Infotech, Patni Computer Systems and Wipro had become visible. The 'microchip revolution' of the 1980s had convinced both Indira Gandhi and her successor Rajiv Gandhi that electronics and telecommunications were vital to India's growth and development. MTNL underwent technological improvements. During 1986-1987, the Indian government embarked upon the creation of three wide-area computer-networking schemes: INDONET (intended to serve the IBM mainframes in India), NICNET (the network for India's National Informatics Centre), and the academic research oriented Education and Research Network (ERNET). In 1991 Software Technology Parks of India (STPI) was created, being owned by the government, could provide VSAT communications without breaching its monopoly. In 1993 the government began to allow individual companies their own dedicated links, which allowed work done in India to be transmitted abroad directly.

The Indian economy announced economic reforms in 1991, leading to a new era of globalisation and international economic integration. Economic growth of over 6% annually was seen during the period of 1993-2002. The economic reforms were driven in part by significant the internet usage in the country. The new administration under the then Prime Minister of India, Atal Bihari Vajpayee—which placed the development of Information Technology among its top five priorities— formed the Indian National Task Force on Information Technology and Software Development.

Wolcott & Goodman (2003) report on the role of the Indian National Task Force on Information Technology and Software Development revealed produced the report within 90 days of its establishment on the state of technology in India and an IT Action Plan with 108 recommendations. The Task Force could act quickly because it built upon the experience and frustrations of state governments, central government agencies, universities, and the software industry. Much of what it proposed was also consistent with the thinking and recommendations of international bodies like the World Trade Organization (WTO), International Telecommunications Union (ITU), and World Bank. In addition, the Task Force incorporated the experiences of Singapore and other nations, which implemented similar programs. It was less a task of invention than of sparking

action on a consensus that had already evolved within the networking community and government. The New Telecommunications Policy, 1999 (NTP1999) helped further liberalize India's telecommunications sector. The Information Technology Act 2000 created legal procedures for electronic transactions and e-commerce.

Throughout the 1990s, another wave of Indian professionals entered the United States. The number of Indian Americans reached 1.7 million by 2000. This immigration consisted largely of highly educated technologically proficient workers. Within the United States, Indians fared well in science, engineering, and management. Graduates from the Indian Institutes of Technology (IIT) became known for their technical skills. The success of Information Technology in India not only had economic repercussions but also had far-reaching political consequences. India's reputation both as a source and a destination for skilled workforce helped it improve its relations with a number of world economies. The relationship between economy and technology—valued in the western world—facilitated the growth of an entrepreneurial class of immigrant Indians, which further helped aid in promoting technology-driven growth. India is now one of the biggest IT capitals in the modern world. The share of IT (mainly software) in total exports increased from 1 percent in 1990 to 18 percent in 2001. IT-enabled services such as back office operations, remote maintenance, accounting, public call centers, medical transcription, insurance claims, and other bulk processing are rapidly expanding. Indian companies such as TCS, Wipro, and Info system may yet become household names around the world.

Currently, Bangalore is known as the Silicon Valley of India and contributes 33% of Indian IT Exports. India's second and third largest software companies are head-quartered in Bangalore, as are many of the global SEI-CMM Level 5 Companies. Mumbai too has its share of IT companies that are India's first and largest, like TCS and well established like Reliance, Patni, LnT Infotech, i-Flex, WNS, Shine, Naukri, Jobspert etc are head-quartered in Mumbai and these IT and dot com companies are ruling the roost of Mumbai's relatively high octane industry of Information Technology.

**Table 4.1 - India's IT industry (USD bn)**

| Particulars | FY 2004 | FY 2005 | FY 2006 | FY 2007E |
|---|---|---|---|---|
| IT Services | 10.4 | 13.5 | 17.8 | 23.7 |
| - Exports | 7.3 | 10.0 | 13.13 | 18.1 |
| - Domestic | 3.1 | 3.5 | 4.5 | 5.6 |
| ITES-BPO | 3.4 | 5.2 | 7.2 | 9.5 |
| - Exports | 3.1 | 4.6 | 6.3 | 8.3 |
| - Domestic | 0.3 | 0.6 | 0.9 | 1.2 |
| Engineering services, R&D and Software products | 2.9 | 3.9 | 5.3 | 6.5 |
| - Exports | 2.5 | 3.1 | 4.0 | 4.9 |
| - Domestic | 0.4 | 0.7 | 1.3 | 1.6 |
| Hardware | 5.0 | 5.9 | 7.0 | 8.2 |
| Total IT industry | 21.6 | 28.4 | 37.4 | 47.8 |
| - Exports | 13.4 | 18.2 | 24.1 | 31.9 |
| - Domestic | 8.3 | 10.2 | 13.2 | 15.9 |

[Source:NASSCOM]

**Table 4.2 - The major IT Hubs in India are:**

| Ranking | City | Description |
|---|---|---|
| 1 | Bangalore | Popularly known as the capital of the Silicon Valley of India is currently leading in Information Technology Industries in India. |
| 2 | Chennai | Famously known as "Gateway of South India", it is the second largest exporter of Software.[15] |
| 3 | Hyderabad | Hyderabad which has good infrastructure and good government support is also a good technology base in India. |
| 4 | Pune | Pune, a major industrial town, hosts numerous multinational and national software giants along with BPO and KPO firms. World class SEZs like Hinjawadi IT park and Magarpatta city give Pune a distinct advantage. The city is a major educational hub and churns out thousands of technocrats every year. |
| 5 | Kolkata | Kolkata which is slowly becoming a major IT hub in near future. Some of the well known technological corporations are si |
| 6 | NCR | The National Capital Region of India comprising Delhi, Gurgaon, Faridabad, Noida, Greater Noida and Ghaziabad are having ambitious projects and are trying to do every possible thing for this purpose. |
| 7 | Mumbai | Popularly known as the commercial, entertainment, financial capital of India, This is one city that has seen tremendous growth in IT and BPO industry, it recorded 63% growth in 2008.[16] TCS, Patni, LnT Infotech, I-Flex WNS and other companies are headquartered here. |
| 8 | Bhubaneshwar | The capital City of Odisha India, Bhubaneswar is one of the emerging IT City in India. Hosting all four major Indian IT company: Infosys , Satyam, TCS and Wipro. Have IT SEZ on Infocity-I and new SEZ is going to start on Infocity-II. There are many Large, Mid and Small It companies present in this City from last 2 decades . |

The Indian software industry has grown from a mere US $ 150 million in 1991-92 to a staggering US $ 5.7 billion (including over $4 billion worth of software exports) in 1999-2000.  No other Indian industry has performed so well against the global competition.

The annual growth rate of India's software exports has been consistently over 50 percent since 1991.

**Role of Software Industry in Developing the Indian Economy -** The success of software industry in India was instrumental in driving the economy of the nation on to a rapid growth rate. As per the study of NASSCOM-Deloitte, the contribution of IT/ITES industry to the GDP of the country has soared up to a share of 5% in 2007 from a mere 1.2% in 1988. Besides, this industry has also recorded revenue of US $ 64 billion with a growth rate of 33% in the year 2008. The export of software also has grown up, which has been instrumental in the huge success of the Indian software companies as well as the industry. Software exports from India accounts for more than 65% of the total software revenue.

There are number of reasons why the software companies in India have been so successful. India is the hub of cheap and skilled software professionals, which are available in abundance. It helps the software companies to develop cost effective business solutions for their clients. As a result Indian software companies can place their products and services in the global market in the most competitive rates. Today, India exports software and services to nearly 95 countries around the world. The share of North America (U.S. & Canada) in India's software exports is about 61 per cent.  In 1999-2000, more than a third of Fortune 500 companies outsourced their software requirements to India.

NASSCOM's survey during 1999-2000 indicates a reversal in the mode of services offered by India.  In 1991-92, offshore services accounted 5 per cent and on-site services 95 % of the total exports.  However, during 1999-2000 offshore services contributed over 40 percent of the total exports. According to a NASSCOM-McKinsey report, annual revenue projections for India's IT industry in 2008 are US $ 87 billion and market openings are emerging across four broad sectors, IT services, software products, IT enabled services, and e-businesses thus creating a number of opportunities for Indian companies. In addition to the export market, all of these segments have a domestic market component as well.

**Major Trends**

> Figure 4.1 - Trends in Hiring
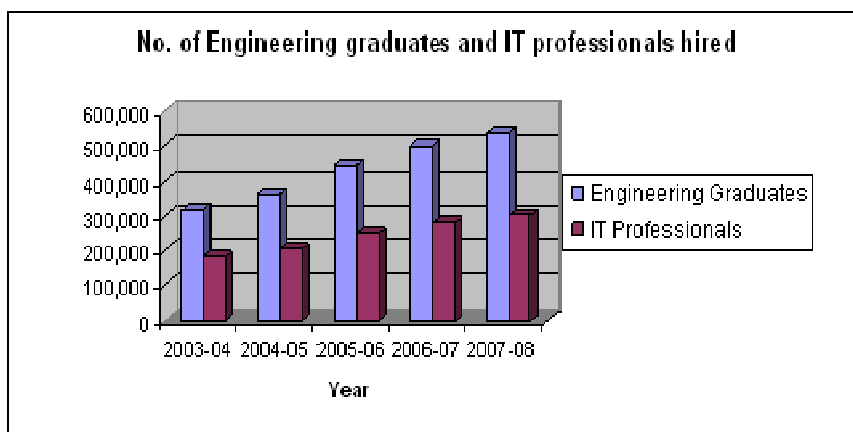


Source: Nasscom reports.

> The bar chart shows that the recruitment of engineers and IT professionals in the industry is growing at the compound annual rate of 14.5% approximately. In the FY06, the direct employment in the IT-ITES sector was 1.3 million people and the indirect employment was 3 million approximately.

> Trends in salary hikes along with abundant growth opportunities, IT sector is one of the highest paying sectors. The average increase in salary in IT sector across the levels was around 16% and the average increase in the ITeS BPO sector across the levels was in between 16%-18% Requisites for balanced salaries -

> End to poaching

> Review of compensation according to the skills

> Developing talent in-house

> Entry of talented freshers in the industry

Information technology (IT) professionals are back in demand with the revival in global economies. And with that, voluntary attrition rates of tech services firms have also started soaring. Here are some attrition percentages for some of the vendors as per the last quarterly report (End of Dec 2009). Table 4.2 shows the attrition rates of the company.

**Table 4.3: Attrition percentage in some of the IT companies.**

| Company Name | Attrition % | Employee strength | Net addition |
|---|---|---|---|
| **Infosys** | 11.6% | 109,882 | 44,29 |
| **TCS** | 11.5% | 143,761 | 7,692 |
| **Wipro** | 14.3% | 102,746 | 4,855 |
| **Cognizant** | 11.2% | 73,400 | 10,300 |
| **Genpact** | 23% | 38,600 | 2,400 |
| **WNS** | 31% | 21,392 | 149 |
| **Syntel** | 11.2% | 12,567 | 1,080 |
| **Igate** | 24% | 6,910 | 530 |
| **HCL Technologies** | 12.8%, | 55,688 | 1,691 |
| **EXL Services** | 22.6% | 10,736 | 243 |

SOURCE- Economic Times, March 10th, 2010.

As the economy is beginning to revive, the challenges the IT organizations face are primarily attracting and retaining the staff. Information technology (IT) professionals are back in demand with the revival in global economies. And with that, voluntary attrition rates of tech services firms have also started soaring. The current attrition rates of the biggest IT players is Wipro - voluntary attrition rate for global IT services shot up to 17.1% from 8.4% in the first quarter. TCS - 11.8 per cent. Infosys' attrition rate has gone up to 13.4% in the March quarter from 11% a year ago. HCL Technologies too sees a high attrition level at nearly 14 per cent. (Economic Times, 2010)

This study broadly examined the competency management as a tool of talent management in the Indian IT organizations. The researcher took a sample of 33 organizations from a population of 184 organizations registered with Nasscom were selected for the study. These comprised 26 software companies of Indian origin and 7 companies are multinationals. The profile of the organizations under study are given below

**Profile of the organizations under study**

**1. Cognizant**

Cognizant (NASDAQ: CTSH) is a leading provider of information technology, consulting, and business process outsourcing services. Cognizant single-minded passion is to dedicate the global technology and innovation know-how, the industry expertise and worldwide resources to working together with clients to make their businesses stronger. With over 50 global delivery centres and approximately 88,700 employees as of June 30, 2010, we combine a unique global delivery model infused with a distinct culture of customer satisfaction. A member of the NASDAQ-100 Index and S&P 500 Index, Cognizant is a Forbes Global 2000 company and a member of the Fortune 1000 and is ranked among the top information technology companies in Business Week's Hot Growth and Top 50 Performers listings. Cognizant is a global IT services and business process outsourcing solutions provider headquartered in Teaneck, N.J. Cognizant was founded in 1994 as an IT development and maintenance services arm of The Dun & Bradstreet Corporation. The company was spin-off as an independent organization two years later. Since 1996, Cognizant has worked closely with large organizations to help them build stronger, more efficient, and more agile businesses. By leveraging highly flexible business processes, a seamless global delivery network and deep domain expertise, Cognizant delivers a better "return on outsourcing." Cognizant was one of the first IT services companies to organize around key industry verticals and horizontals. This enables Cognizant to establish extremely close partnerships that foster continuous operational improvements and better bottom-line results for clients. From its founding, Cognizant was built with a global mindset. With headquarters in the U.S. and a rapidly expanding delivery footprint which extends from India and China to Europe, North and South America, and the Middle East, Cognizant has the geographic presence and mix of onsite and offshore resources to be the preferred global services partner across industry. Because clients see globalisation as a key element to their success, our "born global" heritage is viewed as a significant market advantage.

Portfolio of Services - Across each business segment, Cognizant provides a broad and expanding range of information technology consulting and business processing outsourcing services, including: Project-based application services. Business and technology consulting Complex systems integration Application outsourcing Business process outsourcing IT infrastructure outsourcing Analytics, Business Intelligence, CRM, Data Warehousing and Supply Chain Management, Engineering Management Solutions, ERP, Testing Solutions

Key Highlights - Unique blend of onsite/offshore resources of app. 88,700 passionate professionals Strong relationships with 662 active customers worldwide; 46 of Fortune 100 Enhanced domain focus through sub verticalization. More than 90% of annual revenue from existing clients Proactive solutions offerings for improving operational efficiency, complying with industry regulations, and improving customer service levels

Recognized as a Leader - The passion for building stronger businesses is consistently recognized by independent sources and clients. Recent accolades include: Cognizant Tops Equa Terra's Performance and Client Satisfaction Rankings in Europe (August 2010) Cognizant Ranks among Top Performers in Bloomberg Business Week 50 (June 2010) Cognizant Ranks among Bloomberg Business Week's Tech 100 (June 2010) Cognizant ranked among Forbes fastest growing 25 Tech Companies (April 2010) Named as best IR company in computer services & IT consulting category by Institutional Investor (February 2010) A Pas The greatest tributes by far are those Cognizant gets from our customers, who choose to partner with Cognizant and entrust us with critical aspects of their businesses. Global 2000 clients select Cognizant because our passion and professionalism provides strong competitive advantage in their "race for the future." It's a race Cognizant is passionate about helping clients win.

A Passionate Focus on Client Needs - Cognizant, is proud to have built a culture attuned to anticipating and understanding our clients' needs, and then working in close partnership with them to make their businesses stronger —more productive, more profitable, more capable of capturing market opportunities — and thus more valuable.

Our unique Two-in-a-Box™ client-relationship model offers greater customer intimacy, speed of delivery, local decision-making, and responsiveness, which has helped Cognizant build deep, fast-growing partnerships with clients. This model combines technical and account management teams located onsite at the customer location and offshore at dedicated development centers located in India and around the world. By working closely with our clients' leadership teams, we gain better insights for providing the best possible IT-enabled solutions to their business challenges.

**Passion for Specialized Expertise -** To meet the specialized needs of each client, Cognizant has continued to invest in deepening our industry-specific organizational capabilities and delivery excellence. We continuously add experienced team members with distinguished track records in key sectors, such as banking, capital markets, insurance, life sciences, healthcare, manufacturing, logistics, retail, utilities, hospitality, communications, information services, media, and entertainment, who serve as subject matter experts and provide clients with valid insights into and viable solutions to particular industry issues. Cognizant has a global delivery platform that supports an onsite/offshore model that meets clients' needs 24/7. Cognizant service delivery is powered by Cognizant 2.0, our global knowledge sharing and project management platform. Cognizant 2.0 enables the teams, business partners and clients to collaborate virtually via instant messaging, blogs, wikis and other Web 2.0 tools. The platform also provides active process guidance to our project teams, enabling them to work faster and more efficiently solving IT and business challenges. In a typical client engagement, our team members located at the customer's place of business handle approximately 25-30% of the workload. The balance is performed at one of over 50 global delivery centers around the world. At a time when companies across the globe are relentlessly striving to compete better, move faster, and fight harder, leading organizations across various industries — from financial services and healthcare through manufacturing, media, retail, utilities, and telecommunications — are partnering with Cognizant to continuously elevate the business value of their IT assets and to make their businesses stronger.

Talent Worldwide - Cognizant continuously seek the "best and the brightest" while recruiting new employees, and cognizant is consistently an "employer of choice" at leading engineering and business schools around the world. Cognizant domain industry specialists have well-established backgrounds working with companies in the industries we serve.

Their teams and their talent are a principle reason that we consistently outperform the competition.

- The training and development capabilities are the best in the industry, and they emphasize process and methodology, as well as client satisfaction.
- Staff turnover is extremely low (only 10% voluntary).
- Company offers equity ownership, and it consistently received the highest employee satisfaction among Indian software companies, where it is one of the largest technology employers.

Cognizant is the only major global services company with talent organized around vertical industries and horizontal solutions, rather than regions and development centres. Company's deep domain expertise in key vertical industries originates from the company. It now spans financial services; healthcare and life sciences; manufacturing-logistics and retail; and communications, information, media and entertainment services. Within these industries, it leverages a wide array of solution accelerators; frameworks and agile development methodologies spanning the entire technology stack to quickly and efficiently meet the business needs. Importantly, it has proprietary CMMi-Level 5 processes to successfully manage and complete the projects consistently from any of its global, regional or local delivery centres.

**Cognizant Academy –C**ognizant's greatest strength is its people: their expertise and their ability to consistently deliver outstanding work. As a company and an employer, it is committed to continuous learning and giving our associates opportunities to stay current with leading-edge technologies—and to develop communication skills so that they can perform their roles effectively and efficiently. All learning programs are

conducted through Cognizant Academy, its in-house training centre. This dedicated centre offers many conventional and leading-edge educational programs for employees at all levels.

The four key educational initiatives are:

- Continuing Education offers training on a need-to-know basis and for continuous knowledge and skills upgrading
- Role-based Training
- Executive Training program which includes Effective Personal Productivity Time Management, Acculturation programs, and language programs
- Certification, both external certification programs offered by Microsoft, Sun, PMI, etc., and internal certification programs, such as those focused on IBM WebSphere, DB/2 and software engineering

In addition to internal training programs, company sends their software professionals around the world for technology or management-specific training at notable universities and colleges, including Harvard University, Indian Institute of Management, and the Indian Institute of Technology. They use conventional and leading edge learning methodologies. In addition to the formal learning in classrooms, Cognizant Academy takes learning to its employees' desktops. Company uses multi-modal learning, as well as Technology-Based Training (TBT) material.

**2. Tech Mahindra**

Tech Mahindra was founded in the year 1982 and was known as Satyam. Tech Mahindra (Formerly Mahindra British Telecom) is the telecommunication industry's premier partner for providing value-added software and service solutions. Tech Mahindra provides a wide variety of services ranging from IT strategy and consulting to system integration, design, application development, implementation, maintenance and product engineering. Tech Mahindra has been recognized with an ISO 9001:2000 certification, SEI-CMM Level 5 assessments and is also CMMI level 5 certified for software development processes, meeting the industry's highest standards. It has also been certified

as being BS7799 standards. The company employs nearly 30,000 employees and is head quartered in Hyderabad. Portfolio of services are telecommunication, consulting, system integration, design, application development, implementation, maintenance and product engineering

## 3.Infosys

Infosys Technologies Ltd. (NASDAQ: INFY) was started in 1981 by seven people with US$ 250. Today, it is a global leader in the "next generation" of IT and consulting with revenues of US$ 5.4 billion (LTM Sep-10). Infosys defines, designs and delivers technology-enabled business solutions that help Global 2000 companies win in a Flat World. Infosys also provides a complete range of services by leveraging our domain and business expertise and strategic alliances with leading technology providers. Company offerings span business and technology consulting, application services, systems integration, product engineering, custom software development, maintenance, re-engineering, independent testing and validation services, IT infrastructure services and business process outsourcing. Infosys pioneered the Global Delivery Model (GDM), which emerged as a disruptive force in the industry leading to the rise of offshore outsourcing. The GDM is based on the principle of taking work to the location where the best talent is available, where it makes the best economic sense, with the least amount of acceptable risk. Infosys has a global footprint with 63 offices and development centers in India, China, Australia, the Czech Republic, Poland, the UK, Canada and Japan. Infosys and its subsidiaries have 122,468 employees as on September 30, 2010. Infosys takes pride in building strategic long-term client relationships. Over 97% of our revenues come from existing customers (FY 10).

In November 2005, Infosys Technologies Ltd. (Infosys), based in Bangalore, India, was named 'The Best Company to Work for in India' by Business Today magazine in a survey conducted by Business Today. Attracting the best and the brightest and creating a milieu where they operate at their highest potential is very important. Our campus and technology infrastructure is world-class, it gives    a lot of attention to training and competency building, it also has sophisticated appraisal systems, it rewards performance

through variable pay. These are all part of the same motive." Since the early 2000s, Infosys' operations had been growing rapidly across the world. The number of employees in the company also increased four-fold to 44,658 in March 2006 as compared to 10,738 in March 2001 (Refer Exhibit III for the number of employees in Infosys between 1995 and 2006).

The company believed that its key assets were people and that it was important to bring its employees on par with the company's global competitors. In spite of its rapid global expansion, Infosys retained the culture of a small company. According to Bikramjeet Maitra, Head of Human Resources, Infosys, "Company likes to maintain a smaller company touch and we have split the overall business into several smaller independent units of around 4,000 people each." Infosys was incorporated as Infosys Consultants Private Limited on July 02, 1981, by a group of seven professionals. From the beginning, it relied heavily on overseas business. One of the founders, Narayana Murthy stayed in India, while the others went to the US to carry out onsite programming for corporate clients. One of Infosys' first clients was the US-based sports shoe manufacturer Reebok.

**HR Practices -** Most of the HR practices of Infosys were a result of the vision of its founders and the culture that they had created over the years. The founders advocated simplicity and maintained the culture of a small company. The employees were encouraged to share their learning experiences. While recruiting new employees, Infosys took adequate care to identify the right candidates. On the qualities that Infosys looked for in a candidate, Nilekani said, "it focused on recruiting candidates who display a high degree of 'learn ability.' learn ability it meant the ability to derive generic knowledge from specific experiences and apply the same in new situations. Infosys place significant importance on professional competence and academic excellence. Other qualities it looks for are analytical ability, teamwork and leadership potential, communication and innovation skills, along with a practical and structured approach to problem solving."

**Training -** Training at Infosys is an ongoing process. When new recruits from colleges join Infosys, they are trained through fresher training courses. They are trained then on

new processes and technologies. As they reached the higher levels, they are trained on project management and later are sent for management development programs, followed by leadership development programs.

Infosys also conducted training programs for experienced employees. The company had a competency system in place which took into account individual performance, organizational priorities, and feedback from the clients. The Infosys Leadership Institute (ILI) was set up in 2001 to nurture future leaders in the company and to effectively manage the exceptional growth that the company was experiencing. At the Institute, the executives are groomed to handle the changes in the external and internal environment.

Culture - Infosys tried to preserve the attributes of a small company and worked in small groups, with decision-making remaining with those who were knowledgeable about particular processes. The managers played the role of mentors and used their experience to guide their team members.

Challenges - With the IT industry growing at a rapid pace, Infosys planned to recruit around 25,000 people in the financial year 2006-07, in order to maintain its growth. Though it had started hiring its workforce globally, it mainly recruited engineering graduates from India. If the industry continued to grow at a similar pace, analysts opined that companies like Infosys would not be able to find enough people, especially with several multinationals entering India and recruiting aggressively. To address this issue, Infosys started recruiting science graduates with a mathematics background to create an alternate talent pool.

Infosys delivers innovation through:

1. Infosys SETLabs undertakes research in the areas of Malleable Architecture, Pervasive Access, Flexible Processes and Personalized Information.

2. Infosys Technologies Ltd. (NASDAQ: INFY) was started in 1981 by seven people with US$ 250. Today, Infosys is a global leader in the "next generation" of IT and consulting with revenues of over US$ 5 billion.

3. Infosys defines designs and delivers technology-enabled business solutions that help Global 2000 companies win in a Flat World. Infosys also provides a complete range of services by leveraging its domain and business expertise and strategic alliances with leading technology providers.

4. Infosys service offerings span business and technology consulting, application services, systems integration, product engineering, custom software development, maintenance, re-engineering, independent testing and validation services, IT infrastructure services and business process outsourcing.

5. Infosys pioneered the Global Delivery Model (GDM), which emerged as a disruptive force in the industry leading to the rise of offshore outsourcing. The GDM is based on the principle of taking work to the location where the best talent is available, where it makes the best economic sense, with the least amount of acceptable risk.

6. Infosys has a global footprint with over 50 offices and development centres in India, China, Australia, the Czech Republic, Poland, the UK, Canada and Japan. Infosys has over 122,000 employees.

7. Infosys takes pride in building strategic long-term client relationships. Over 97% of Infosys revenues come from existing customers.

**4. WIPRO**

Wipro Technologies is the No.1 provider of integrated business, technology and process solutions on a global delivery platform. Wipro Technologies is a global services provider delivering technology-driven business solutions that meet the strategic objectives of its clients. Wipro has 40+ 'Centres of Excellence' that create solutions around specific needs of industries. Wipro delivers unmatched business value to customers through a combination of process excellence, quality frameworks and service delivery innovation. Wipro is the World's first CMMi Level 5 certified software services company and the first outside USA to receive the IEEE Software Process Award. Wipro's complete range of IT Services addresses the needs of both technology and business requirements to help organizations leverage leading-edge technologies for business improvement. Wipro takes charge of the IT needs of the entire enterprise. The gamut of services extends from

Enterprise Application Services (CRM, ERP, e-Procurement and SCM), to e-Business solutions. Wipro's enterprise solutions have served and continue to serve clients from a range of industries including Energy and Utilities, Finance, Telecom, and Media and Entertainment.

Wipro's TIS is the largest Indian IT infrastructure service provider
Wipro's Technology Infrastructure Services (TIS) is the largest Indian IT infrastructure service provider in terms of revenue, people and customers with more than 200 customers in US, Europe, Japan and over 650 customers in India. It is powered by the expert skills of over 6,500 technical specialists and state-of-the-art BS 15000 certified infrastructure for operations support.
A phased approach towards process standardization, process optimization and process re-engineering. Wipro BPO provides a broad range of services from customer relationship management, back office transaction processing to industry-specific solutions. The key element of services delivery is an integrated approach towards providing increasing value over the entire

course of our client relationships. This involves a phased approach towards process standardization, process optimization and process re-engineering

True value from technology requires an in-depth understanding of business strategy. Today's businesses need partners who can talk about strategy and technology in the same conversation. Wipro, believes in true value from technology requires an in-depth understanding of business strategy. Company's cross-industry consulting services help them craft a vision for the organization and then provide a specific, practical business and technology framework that will make that vision a reality.

The consulting competencies spread across business, process, quality and technology consulting.
Company developed a model called "Extended Engineering" that leverages synergies across the value chain. As product manufacturers and platform vendors across the world strive to make better products with shorter development cycles and reduced total cost of

ownership.  Wipro Technologies partner to provide comprehensive solutions in product lifecycle management and product realization. Wipro, has developed a model called "Extended engineering" that allows in leveraging synergies across the value chain and progress swiftly from concept to market.


Wipro is now the world's largest contract R&D house for telecom, auto and electronics Human Resource planning – Wipro has the first Capability Maturity Model (CMM) level 5 and version 1.1 as shown in figure 4.3 certified IT Services Company globally. Its people processes are based on the current best practices in human resources, knowledge management and organization development, giving a great focus to match changing business needs with development of employee competencies. It has a well-organized structure to deal with employee management. It has developed few models to manage these processes, which include, EPM, BPO, SaaS, Employee Contact Centre, etc.

**Figure 4.2 CMMI Staged Maturity Levels.**

Focus on continuous

Process improvement.

Level 5
Optimizing

Process Quantitatively

Measured & controlled.

Level 4
Quantitatively
managed

Level 3
Defined

Process characterized for

the organization & is Proactive.

Level 2
Managed

Process characterized for

Projects and is managed.

Level 1
Initial

Process unpredictable, poorly

Controlled & Reactive.
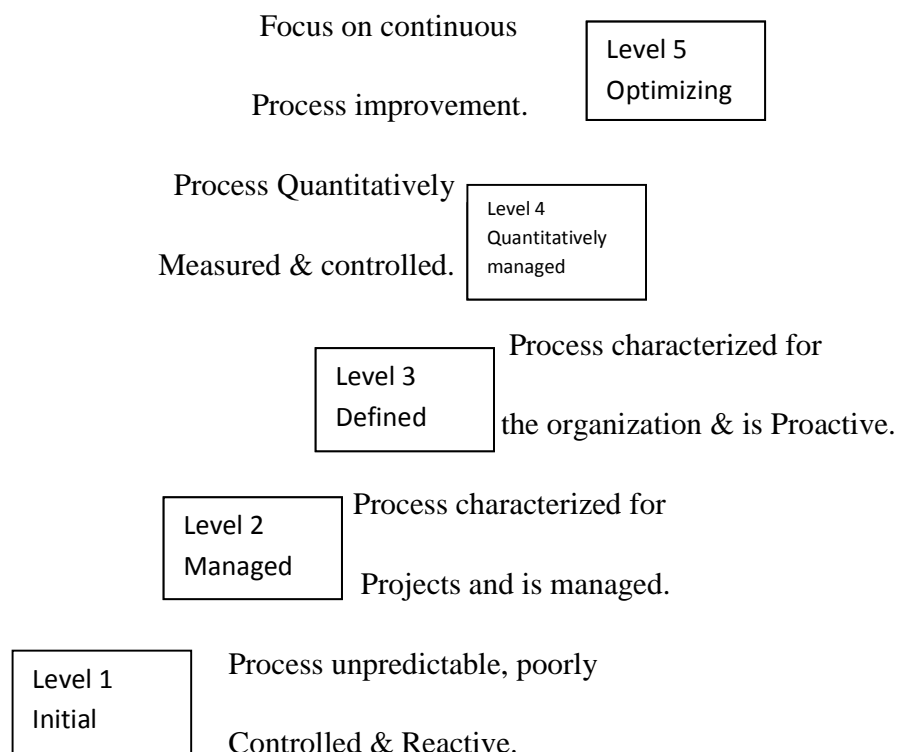
Wipro has expertise in Six-sigma methodologies, which have been put in use to streamline and enhance existing people processes in organizations, enabling decision-making based on metrics and measurements. Talent management – Wipro offers flexible employee performance management(EPM) solutions delivered in either a BPO or Software service model that makes assessment and development easy, more and economical for the clients HR function. The EPM process includes goal management, development planning and training, etc. Talent management service spectrum covers the following aspects: Learning Technology Solutions – Technology consulting, product implementation and development, Architecture, Integration, Maintenance and production Support Services. Content Development – Product, process, domain and Technology Training Solutions, Behavioural, Soft Skills, Sales, Safety, Behavioural, Soft Skills, Sales, Safety, Compliance, ERP and Non ERP application Training Rollout, Rapid Content Development Solutions, Assessment and Certification. Consulting – Performance consulting, Learning interventions, and Training needs analysis, Training Strategy Definition, Curriculum Design, Change management. Documentation Services – Technical Writing, Technical Editing, Production, Publishing, End user documentation.

## 5. International Business Machines Corporation (IBM)

IBM has been present in India since 1992 (re-entry, after an exit in the 1970s). Since inception, IBM in India has expanded its operations considerably with regional headquarters in Bangalore and offices in 14 cities including regional offices in New Delhi, Mumbai, Kolkata and Chennai. Today, the company has established itself as one of the leaders in the Indian Information Technology (IT) Industry. IBM has set the agenda for the industry with 'on demand business' - a kind of transformation where an organization changes the way it operates and reduces costs; serving customers better, reducing risks and improving speed and agility in the marketplace. IBM is already working with customers to transform them into 'on demand' businesses. IBM is the only company in the world that offers end-to-end solutions to the customers from hardware to software, services and consulting. IBM Global Services is the worlds and also India's

largest information technology services and consulting provider. IGS provides the entire spectrum of customers' e-business needs - from the business transformation and industry expertise of IBM Business Consulting Services to hosting, infrastructure, technology design and training services. IGS delivers integrated, flexible and resilient processes - across companies and through business partners - that enable customers to maximize the opportunities of an on-demand business environment.

In 2005, IBM announced the acquisition of Network Solutions Ltd., a leading infrastructure services company in India. This strategic investment enabled IBM to augment its networking and managed services portfolio of offerings in India and broaden its reach across the country. IBM the largest provider of middleware and the second-largest software business in the world offers its customers comprehensive solutions to meet their e-business requirements. IBM Software provides best-of-breed solutions for financial services, manufacturing, process, distribution, government, infrastructure and small & medium business sectors. IBM Software portfolio consists of:

Transformation and integration solutions that are built on the IBM Web Sphere middleware platform. Information leveraging solutions that are built on a portfolio of Data management (DB2) tools. - Lotus product line to help organizations leverage collective know-how. Tivoli range of products to enable organizations to manage complex technological infrastructure. Rational range of Application Development Tools to help software development houses develop applications in a structured and systematic way.

Systems and Technology Group: The portfolio of e Servers (x Series, i Series, p Series, and z Series) offer a broad range of products from entry level, mid-range to high-end servers and mainframes, presenting customers with the best technologies and practices to support their e-business infrastructure requirements. IBM has been providing leading-edge storage technology to organizations around the world for nearly half a century. IBM offers a complete portfolio of storage networking products and solutions that not only includes LTO, SAN, NAS but also IP Storage - iSCSI appliances and gateways.

IBM's Personal Computing Division acquired by Lenovo Group Limited, the leading Personal Computer brand in Asia. Lenovo will continue to be the preferred supplier of PCs to IBM and IBM will provide service and support for 5 years to Lenovo PCs. IBM Global Financing provides flexible and attractive financing and leasing programs to fund Information Technology (IT) requirements of Indian customers. IGF helps customers through greater access to the hardware, software, solutions and services essential to compete in the global marketplace.

India is an important market for IBM and the company has been making significant investments from time to time. IBM Innovation Center for Business Partners: (One among 10 facilities worldwide) Independent Software Vendors are encouraged to port their solutions on IBM platforms at this Center and develop Web based applications for Indian customers. Linux Solution Center, Bangalore: (One among 7 facilities worldwide) The center supports Business Partners and Independent Service vendors across the ASEAN / South Asia region. IBM Linux Competency Center, Bangalore: (One among only 4 facilities in Asia) This center develops standards and embedded software for open source, undertaking high-end research in the area for IBM Worldwide.

Software Innovation Center, Gurgaon: This state-of-the-art center combines IBM's global experience and technology expertise to deliver e-business solutions for Indian organizations and also the government through the e-Governance Centre. The center offers IBM's customers a range of services including technical consultation, proof of concept and technical presentations, implementation planning, solution architecture, application design and development, deployment, and education and training. The e-Governance Centre, a part of this facility offers technology, support and infrastructure to help governments and total service providers to design, develop, test and port prototypes of e-Governance applications. India Software Lab at Bangalore and Pune: The Software Lab in India develops, enhances and supports key IBM Software products & technologies in collaboration with other IBM labs world wide. Center for Advanced Studies at Bangalore was established at the India Software Labs to allow universities access to IBM's leading-edge product development and the supporting infrastructure, while IBM has the opportunity to work with academic leaders and researchers on research projects.

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High Performance On Demand Lab in India, Bangalore – This specialized software and services lab in India to drive automation and virtualization into the increasingly complex IT infrastructures supporting the emerging economy of India. This is the first of its kind lab for IBM in India, bringing specific high-value skills to help clients in India and the surrounding region to enhance and optimise their IT resources to support the growth of their businesses. Engineering & Technology Services Center, Bangalore: This center provides technology design services for advanced chips, cards and systems to companies in India and across Asia.

India Research Laboratory, Delhi: IBM's India Research Laboratory (IRL) focuses on areas critical to expanding the country's technological infrastructure. It also has significant initiatives in Services and Sciences, Information Management, User Interaction Technologies, e-Commerce, Life Sciences, Distributed Computing and Software Engineering. Currently, IRL researchers are working on several projects like bio informatics, text mining, and speech recognition for Indian languages, natural language processing, grid computing, and autonomic computing, among others. Services Innovation and Research Centre, Bangalore: will be an extended arm of IBM's India Research Lab (IRL), headquartered in New Delhi. The Services Innovation and Research Centre (SIRC) was recently launched as an initiative that will work in close collaboration with IBM's Global Services group to develop innovative technologies and solutions that improve operational and delivery capabilities.

IBM also set up its Global Delivery Centres at Bangalore, Pune, Gurgaon and Kolkata. They deliver "best-of-breed" technology solutions to IBM customers worldwide covering middleware, e-business technologies, enterprise and web technologies, data warehousing across functional areas like Supply Chain Operation Services, Financial Management Services, Human Resource Services, Customer Relationship Management, e-Business Integration, Application Management Services. Global Business Solution Centre in Bangalore - IBM further expanded its global consulting delivery capabilities with the establishment of a first-of-a-kind Global Business Solution Centre. The centre will allow IBM's more than 60,000 consultants to collaborate and deploy reusable tools and assets in 55 key business areas such as Consumer Driven Supply Chain Optimization, Banking

Risk and Compliance and Product Lifecycle Management. Business Transformation Outsourcing Centres at Bangalore, Delhi and Mumbai: This centre handles Business Transformation Outsourcing needs of IBM customers worldwide. Some key areas of competence of this centre are Customer Contact Centres, Receivables Management, Telemarketing, Transaction Processing and Finance and Accounting. With the acquisition of Daksh eServices, one of Asia's leading business services providers, with service delivery centres in India and Philippines, IBM further enhanced the BTO service capability. With Daksh, IBM adds banking, insurance, retail, hi-tech telecommunications and travel verticals to BTO India's service capabilities.

Partnering India - IBM shares the belief that India can unleash its true potential only through making IT available to and usable for large numbers of people. IBM's Community initiatives focus on education and children and leverage its expertise in technology to address societal issues. IBM has partnering relationships in India with a number of educational institutions. IBM has also set up an IT Centre in Mumbai in association with Victoria Memorial School for the Blind to impart IT education to visually impaired people. IBM KidSmart Early Learning program was launched to further strengthen IBM's commitment to community in India. This is the only program in India aimed at introducing technology at the pre-school level in disadvantaged sections of society to get a head start on their academic development through the use of age-appropriate software developed by IBM. Try science is another community related program me launched, which reinvents science learning, recreates the interactive experience of onsite visits, and provides science projects as well as multimedia adventure field trips for museum visitors - primarily children, their parents and teachers.

## 6. KPIT Cummins Info systems

KPIT Cummins Info systems are a global IT consulting and product engineering partner to Manufacturing & Financial services organizations. It was established in the year 1990 and has its headquarter in Pune. KPIT has more than 1100 consultants working at KPIT Cummins. KPIT has been providing IT consulting and development services to customers in more than 20 countries across the world for the last 14 years. KPIT development

facilities are - 6 in Pune and 1 in Bangalore, are dedicated to different verticals that the company works in. KPIT focused on co-innovating domain intensive technology solutions for Automotive, Semiconductor & Industrial Equipment verticals to help its customers become efficient, integrated and innovative enterprises. In the last 5 years, KPIT has grown its revenue and profits at an industry-leading CAGR of around 50%. KPIT Cummins currently partners with 100+ global Manufacturing corporations including 50+ Original Equipment Manufacturers (OEMs), semiconductor companies and Tier 1s, helps them globalize efficiently & bring complex technology products and systems faster to their global markets. The employee size ranges to 4,800 with a revenue of $15,000,000.

Attrition rates - KPIT's recruitment pool is restricted to engineers with scarce skill-sets. KPIT's ability to sustain future growth acutely depends on its ability to develop, retain and recruit human capital. The employee strength is 5300, attrition rates stood at 23% during Q1FY11 and, going forward, with the recession easing off.

## 7. Zensar Technologies

Zensar Technologies is a globally focused software and services company spread across eighteen countries across the world. Zensar provides end-to-end services from IT development to Business Process Outsourcing, from consulting to implementation. With more than 5300 associates and sales and operations presence across US, UK, Germany, Sweden, Finland, Middle East, South Africa, Hong Kong, Singapore, Australia, Japan and Poland, the Company delivers comprehensive services in mission-critical applications, enterprise applications, e-business, BPO Services. The company employs nearly 5,300 employees and the revenue is $199,000,000. The company is headquartered at Pune.

## 8. BMC

BMC Software India Private Limited engages in the design, development, maintenance, and support of enterprise software products and solutions. It provides enterprise management solutions, including enterprise systems, applications, and

databases and service management. The company was founded in 2001 and is based in Pune, India. BMC Software India Private Limited operates as a subsidiary of BMC Software, Business Runs on IT. IT Runs on BMC Software. Business thrives when IT runs smarter, faster and stronger. That's why the most demanding IT organizations in the world rely on BMC Software across both distributed and mainframe environments. Recognized as the leader in Business Service Management, BMC offers a comprehensive approach and unified platform that helps IT organizations cut cost, reduce risk and drive business profit. BMC revenue by the end of June 30, 2010 was approximately $1.92 billion. BMC's portfolio of Business Service Management (BSM) solutions delivers a comprehensive approach and unified platform for managing IT. BMC offers solutions across entire IT organization - mainframe to distributed systems, physical to virtual, operations to support. The employee strength is around 6000.

**9.UBICS Technologies Private. Limited.**

UBICS, Inc., a global provider of integrated IT and BPO services, is an affiliate of The UB Group, a diversified business conglomerate with over $2 billion global revenue. Intellectual insight on emerging business trends and market forces that shape businesses has helped us apply domain expertise and technological advancements to develop flexible, efficient, and cost- effective solutions for organizations world over. UBICS' offers cutting – edge technological IT products staff augmentation co-managed IT services BPO / KPO, contact center and infrastructure management services strategic IT Solutions, from design to development under the onsite and offshore model. Everyone knows that Vijay Mallya is the king of good times but that he is also the CEO of an IT company is perhaps not very well known. The Indian arm of UBICS Inc, headquartered in Pittsburgh, is located in Pune. Sunil Patil, president, Global Solutions, UBICS, justifies the choice of Pune as UBICS' India HQ. Logically, one would expect this to be Bangalore, India's software hub and also UB Group's HQ. But the quality of Pune's manpower, the low attrition rate and the proximity to the Mumbai market tilted the scale in Pune's favour and made UBICS India another jewel in Pune's IT crown.

Primarily the Pune-based UBICS India offers three lines of services: its product portfolio consists of Ventive, an e-recruitment solution as well as SeeITFirst, a streaming video solution; a KPO project from a large healthcare solutions company in US worth $1.5 mn for the current year; and, lastly a high-end IT consulting services. While the Pune HQ is involved in all three activities, offices in Bangalore and Delhi have been earmarked for consulting services and e-governance projects respectively.

The e-recruitment product, Ventive, that can automate the human supply chain in the words of Patil, has found takers like Patni, KPIT Cummins, Zensar and Texas Instruments. The streaming video product, CITFirst, that came via acquisition of a California company too boasts of clients like University of Mumbai, Integrated Child Development Services, Department of Health, Government of Maharashtra as well as an NRI Ayurved practitioner running the Ayurveda Mahavidyalaya.

On the IT consulting front, UBICS offers services like ERP, Java or Microsoft technologies maintenance for companies like Tech Mahindra, KPIT Cummins and LogicaCMG. The company has also performed the entire SAP integration for UB Group entities like the recently acquired Shaw Wallace as well as the high-flying Kingfisher Airlines. The fact that UBICS Inc. already possessed expertise in the food & beverage as well as airlines domains had definitely helped. Globally, UBICS possesses F&B clients like Papa Johns and Ajina Moto (PeopleSoft ERP implementation).

UBICS India is also providing back-office services for Kingfisher Airlines, where its offerings include call centre, fare filing, revenue accounting etc. With 70 people involved in the back office operations currently, Patil plans to double the headcount to 150 by the year-end. Subsequently, this expertise might be leveraged to offer back-office services to third-party international airlines. During 2005-06, the India operations contributed around $3mn of 22mn.

**10. Zenta Private Limited**

Zenta delivers end-to-end, integrated BPO solutions targeted at specific market segments within the financial services and healthcare industries, including credit card services,

mortgage processing services, accounts receivable management and healthcare revenue cycle services. Company hires leaders within these business segments to head up our business units, Zenta offers a compelling advantage over competitors. Zenta's differentiators also include quality execution across the company. Zenta is ISO-9001 certified and CMM level 3 certified. These certifications underscore its commitment to create institutionalized processes that promote high quality execution of all our solutions. In addition, Zenta is rated in the top 10 of India's fastest growing BPO companies by NASSCOM (National Association of Software and Service Companies). NASSCOM is India's premier trade body and chamber of commerce of the BPO industry.

## 11. Polaris Software Lab

Polaris Software Lab is a recognized global leader in providing total solutions through right mix of Consulting, Products and Outsourcing solutions to BFSI and non-BFSI Companies worldwide. Polaris Software Lab was established in the year 1993. The company offers super specialty solutions for Retail Banking, Corporate / Wholesale Banking, Investment and Private Banking, Capital Markets, insurance Micro finance through its specialty centers in India and near shore centers spread across strategic locations across the globe. Polaris global universal Banking platform "Intellect Suite" is among the worlds leading enterprise platforms for financial services built on SOA principles. Proven business components, product and platforms from Intellect are available for Core Banking, Consumer Lending, Mortgage, Cards, Investment Banking and Wealth Management, Custody, Risk Management, Trade Finance, Treasury, Cash and Liquidity Management, Portal, BPM and Multi channel integration. The company employs 11,000 employees. Attrition rate is below 10 % but for the managerial positions it is high.

## 12. Ramco Systems

Ramco Group, delivers enterprise software and services since 1989. Today, Ramco is a global provider with customers in 35 countries and offices in 9 countries. It employs 1600 employees and the revenue for the current year stands at 2.667 mil.

Ramco Systems develops cost effective, flexible and innovative enterprise applications that can be deployed fast. It helps businesses respond to change swiftly. The company provides solutions to multiple verticals including banking, insurance, manufacturing, supply chain, aviation, transportation and logistics, healthcare, governance, retail and more.

Ramco Systems has been certified for ISO 9001:2000 quality standards, ISO 27001 security standards and assessed at SEI CMMi - SW Level 5.

## 13. Peri Software Solutions

Peri Software Solutions was founded in the year 1999, PERI is a global business solutions company, which has grown to more than 700 plus employees and delivers high value cost effective technology based business solutions. PERI has deep industry expertise and a portfolio of interrelated consulting, business processes, application development along with smart-intelligent hardware and software products. PERI blends strategic design, proven technology, and timely delivery of solutions that maximize customers return on IT investment.

## 14. HTC Global Services

HTC Global Services is a Troy, MI, USA based IT and ITES Services Provider with operations in USA, UK, Germany, India, Australia, Singapore, Malaysia, Canada, Dubai & Hong Kong established in the year 1990 and has an employee strength of 4000. It focuses exclusively on maximizing client returns from outsourcing and off-shoring and have experience in managing large IT applications in real time. HTC Global Services experience in the business process outsourcing arena fully complements and strengthens the broad range of our service offerings and allows us to operate as an enterprise-class solution delivery company. The company solutions aim to provide high value by optimising the cost of ownership for our customers. HTC Global Services has a client base consisting of several Global 2000 organizations. Company's commitment is to provide solutions that translate into tangible business outcomes for the customers. The Business Partner approach generates high business value for customers and rich

dividends to HTC Global services in the form of a continual stream of repeat business. The customer-centric approach is strengthened by company's client relationship and account management process to find ways to delight the key customers and grow market share.

The onsite/offshore delivery model provides significant cost savings. HTC's development centers are assessed at SEI CMM-Level 5, and are also ISO 9001:2000 compliant, helping the company to continually provide high value, high quality deliverables to our clients, consistently deliver to client expectations, and establish long lasting client relationships.

### 15. Bahwan Cybertek Pvt Ltd

Bhawan Cybertek Pvt Ltd  from the fringes of the world economy became global players with organizational confidence, clear strategy, passion for learning, and the leadership to bring these factors together. With this strong belief, Bahwan CyberTek Group (BCT), established in 1999 and assessed as an SEI CMMi level 5 organisation has emerged to become a significant player in Global IT solutions and services market, and is fast emerging as a world-class business transformation company.

### 16. Tata Consultancy Services Ltd

Tata Consultancy Services Limited (TCS) is an information technology (IT) company. It offers a range of IT services, outsourcing and business solutions. It also offers IT infrastructure services, business process outsourcing services, engineering and industrial services, global consulting and asset leveraged solutions. Its segments include banking, financial services and insurance; manufacturing; retail and distribution, and telecom.

### 17. Virtusa

Virtusa Corporation (NASDAQ: VRTU) is a global information technology (IT) services company providing IT consulting, technology and outsourcing services. Virtusa focuses on delivering business results by modernizing, rationalizing and consolidating the critical applications that support its clients' core business processes. The company uses an enhanced global delivery model, innovative software plat forming

approach and deep industry expertise to provide high-value IT services. This approach enables its clients to improve their customers' experience, expand market reach, improve time to market and lower costs.

Virtusa serves Global 2000 companies and leading software vendors in Communications & Technology, Banking & Financial Services, Insurance, Telecommunications, and Media, Information & Entertainment industries. Virtusa has extensive experience and in-depth expertise in Business Process Management, Enterprise Content Management and Data warehouse and Business Intelligence. The company's service offerings include technology consulting, application development and maintenance, systems integration, custom software development, product development and testing services. Founded in 1996, and headquartered in Massachusetts, Virtusa has offices and technology centers throughout the United States, Europe and Asia. The company has a staff strength of 4,850 employees.

## 18. Zenith Software

Zenith Software, an ISO 9001:2008 and ISO/IEC 27001:2005 certified company, provides world-class software solutions and support services to its clients using a proven onsite/offshore engagement model. Zenith Software has a decade of experience in the outsourcing and off shoring space, it is a part of the reputed Zenith Group that has business interests in the high technology industry. The Offshore Development Center is located in Bangalore. Zenith Software are also present in USA, UK and Australia.

Zenith caters to clients across industry verticals, with prime focus on Travel, Insurance and Retail segments. Our horizontal strengths include Custom Application Development and Management, E-business Solutions, Package Implementation, Data Warehousing and Testing. Zenith Software also offer IT services and BPO services under the same roof. They combine deep domain skills and competencies, honed methodologies and the experience of over 300 trained professionals to create winning solutions that deliver measurable business value. Not surprisingly, over 70% of the business is from repeat clients.

**19. SPML Technologies Ltd.**

SPML Technologies Ltd. is an IT company set up to provide e-payment services across the country. The company is awarded with ISO 9001:2000 certification for providing e-payment services to utility Organizations & Firms. SPML Technologies Ltd. is a subsidiary of Subhash Projects & Marketing Limited, which has turnover of Rs.4000 million having offices in Kolkata, Delhi, Bangalore, Mumbai, Jaipur, Bhopal and Guwahati. Services Installation of ATPs for Utility Payment Collections like Electricity, Water, Telephone Etc,.

**20. Robert Bosch Engineering and Business Solutions Limited (RBEI)**

Robert Bosch Engineering and Business Solutions Limited (RBEI), is a 100% owned subsidiary of Robert Bosch GmbH, one of the world's leading global supplier of technology and services, offering end to end engineering, IT and Business solutions. With over 6100 associates, RBEI is the largest software development center of Bosch, outside Germany. It has two development facilities in Bangalore, and a second development centre in Coimbatore.

**21. Mphasis**

Mphasis consistently delivers global Infrastructure Technology Outsourcing, Applications Services Outsourcing and Business Process Outsourcing services through a combination of technology know-how, domain and process expertise. MphasiS brings to their clients a credible and experienced global leadership team driving service delivery through the next generation global delivery model. It has 33,000 employees in the organization.

MphasiS supports global companies around the world in the improvement of their business processes. The services are Financial Services & Insurance, Manufacturing, Healthcare, Communications, Media & Entertainment, Government, Transportation & Logistics, and Consumer & Retail industries worldwide.

**22. Mind River Information Technologies**

Mind River Information Technologies ("Mind River") is a specialized IT outsourcing company, headquartered in Bangalore, India. Incorporated in 2003, with clear vision to be a leader in IT outsourcing. Mind River provides cost effective solutions for deployment of in-house IT staff. MindRiver currently provides IT outsourcing services to more than 40+ clients across the globe. MindRiver provides its services via an onsite and off-site IT infrastructure support services business model through a team of highly skilled professionals. MindRiver also delivers People Consulting Services, Software Asset Management Service, Business Continuity Service, Application Management Service, Managed Security Service and ITIL Consulting Service to more than 40+ multinational clients. The staff strength is around 350 employees. MindRiver has a full fledged recruitment team to handle the challenges of recruiting and deploying hundreds of helpdesk engineers, address attrition issues, replacements etc. The senior managers of the organization have extensive experience in setting up data centres, ITSM businesses, setting up and handling helpdesks across large organizations.

## 23. KMG Infotech (or Key Management Group / KMG)

KMG Infotech (or Key Management Group / KMG) is a software services & consulting company engaged in providing integrated IT solutions to global insurance, banking & financial services companies. KMG Infotech was founded in the year 1990. KMG has a special niche in Property & Casualty (P&C) insurance sector. KMG has established brand equity in the Insurance domain through the range of services provided to its client base and the domain knowledge of its professionals. As a leading global software development company, KMG provides premium IT solutions using AS/400, Mainframe, Java & Microsoft technologies. In a wide-open sea of countless software development companies, KMG distinguishes itself as a company driven by excellence. KMG's USA offices are located in Melville in New York, Chicago in Illinois, Cincinnati in Ohio and Los Angeles in California. KMG has multiple software development centers in India (Bangalore, Delhi, Kolkata & Chandigarh with a build up area of 25,000 sq ft) to capitalize on the geographical diversity of talent force available in India. KMG has workforce of 350 professionals, which is distributed between client locations and

development centers depending on clients' needs and work requirements. The professionals have access to world-class facilities in form of infrastructure and perform a lot of their work on clients' systems by accessing them through high-speed, secure and redundant lines.

KMG has been rated very highly by the leading rating agencies, Dun & Bradstreet (D&B) India has given rating of 2A2- Good to KMGI. This is second highest rating assigned by D&B. NeoIT, an outsourcing consultancy firm , has rated KMG amongst Top 100 outsourcing companies in the World. KMGI has been rated amongst top 50 software companies in India as of latest (2005) Dataquest (leading Indian IT magazine) ranking less

## 24. JSoft Solutions Ltd.

JSoft Solutions has a staff size of 200 employees. JSoft Solutions is the IT & ITes arm of the JSW Group. Headquartered in Bangalore - India, JSoft works with companies globally in the areas of IT Consulting, Oracle applications, ERP implementation, Application Development & Maintenance, Managed Services & Business Process Outsourcing services.

## 25. iGATE Global Solutions

iGATE (Nasdaq:IGTE) is the first outsourcing solutions provider to offer business outcomes driven solutions through a fully integrated technology and operations (iTOPS) model with global service delivery. iGATE works with clients to optimize their businesses, secure substantial and sustainable year -on -year cost benefits, tie costs to business needs and results. iGATE provides IT Services, BPO/business service provisioning; Consulting, KPO and contact center services. The staff strength is 6250 employees. The revenue for the year 2009 was $180,000,000. iGATE addresses the following industries: Banking and Mortgage, Financial Services, Insurance, Healthcare, Retail, Manufacturing, Media and Entertainment.

The company has been assessed at CMMI Level 5, Six Sigma methodologies and is COBIT, ISO 9001 and ISO 27001 certified, ensuring the highest levels of quality and

data security. iGATE has 16 offices in 34 countries and manages global delivery centers in Mexico, Australia, Malaysia and India.

## 26. Citec Information India Pvt. Ltd.

Citec Information Pvt. Ltd. is one of leading solution providers in the technical communication field.      Citec information Pvt. Ltd. does a thorough research, plans, prepares and performs all the tasks according to the customers' needs. The employees are reliable and quality conscious professionals who are inspired by the challenges that the industrial customers offer.

## 27. Value Labs

Value Labs (www.valuelabs.com) is a global IT services company offering technology consulting, software product development, testing and knowledge process outsourcing services. The company was setup in 1997 with a vision to deliver value to clients worldwide using an effective Global Delivery Model. ValueLabs' core competency is in building "Extended Teams" in India that are dedicated to the client, based on their specific requirements that consistently deliver quality services and in due course become a seamless extension of the client delivering clear competitive advantage beyond traditional cost-efficiencies. The employees strength of Value labs is 1500.Value Labs has been recently placed amongst the 50 best companies to work for in India, for 2009, in a study conducted to identify great workplaces across the country. The survey was conducted by The Great Place to Work® Institute (GPWI - www.greatplacetowork.com) in collaboration with The Economic Times (ET), across all companies in India, spanning various sectors and sizes, and including domestic players as well as MNCs.

## 28. Karvy Global Services

Karvy Global Services is a knowledge services company. Karvy Global Services provides specialist support to extend in-house analyst teams and drive clear business results. Karvy Global Services serves investment banks, insurance providers, brokerages, hedge funds, research agencies, and life settlement providers across the United States, Middle East, and Europe. The clients have found Karvy Global Services ability to scale

efforts, specialist analyst pool, and knowledge of emerging markets to be a strong advantage in the new, fast, and unpredictable world. Karvy Global Services areas of focus include equity and industry research, commodity research, technology-based workflow solutions, insurance policy & portfolio valuation, and other custom specialized services. Incorporated in 2004, and is backed by over 25 years of experience through India's largest financial services company. Karvy Global Services has a staff strength of 100 employees. Global Services is also located in New York right opposite the raging bull and has primary global delivery center in Hyderabad, India.

### 29. IVY Comptech Pvt Ltd.

IVY Comptech Pvt Ltd. Based in Hyderabad is a premier provider of software products and solutions to the global online gaming industry. IVY Comptech has a remarkable management team with young, enthusiastic and passionate individuals who possess rich global experience and hail from renowned institutes across the world. IVY Comptech prides in retaining and rewarding the best talent in the industry. Currently, its employee strength is over 500 people. IVY Comptech has a dynamic, vibrant, and challenging work environment, which encourages creativity and entrepreneurship. The working philosophy fuels relentless pursuit for excellence and believes in striving to live up to the spirit of company's principles: 1) Get the best, 2) Provide the best, 3) Expect the best and 4. Keep the best.

# CHAPTER - V
## DATA ANALYSIS

## EMPLOYEES

The study was aimed at examining the awareness of competencies, the application of competencies and the factors contributing towards talent management practices of the Indian IT organizations from the employee and senior manager perspective. An attempt was made to capture the demographic profile of employees, along with their perception towards competency management as a concept and its practice in the organization. Affirmative opinions and perception of employees would go a long way in identifying the process of competence management practice and also analyzing changing the process and tools of competence management. Thus, the opinions/perceptions of the employees regarding their organizational inclination towards competence management were collected. This chapter covers the data analysis based on the responses collected from employees in the IT organizations.

The analysis has been presented under different sections. *Section 1* highlights the demographic profile of the employees, *Section 2* identifies the awareness of employees with regard to the competency as a concept and with regard to the different HR functions of the organization. *Section 3* deals with levels / hierarchies of the organization where it is implemented and also with the identification of competencies*, Section 4* covers the employee perception of competencies for HR functions, role of competencies for organizations and towards talent management practices and *Section 5* includes the opinions on talent identification and identifying factors enabling and disabling the talent management process. The demographics, awareness about competencies and application of competence practices has been analyzed in a *descriptive way*, such as frequencies and percentages for analyzing the factual information regarding the employee profile and presented using graphs wherever found necessary. The opinion and perception on the importance of competencies for HR functions, role of competencies for organizations, talent management practices, basis of talent identification and identification of enabling

and disabling factors of talent management process has been analyzed using the *factor analysis* to determine the factors that influence the opinions on these issues.

To understand the perceptions of employees on the competence based HR functions, advantages of competencies in organizations, talent management practices of the organizations a 4 point scale was used with a rating on a scale of 1-4 with 1 representing *strongly agree*, 2 representing *agree*, 3 representing *strongly disagree* and 4 representing *disagree*. The mean and standard deviation was calculated to check consistency in their perception. In addition, a factor analysis was done to resolve a large set of variables into factors. The data collected from the respondents was subjected to principal component, factor analysis by Varimax Rotation with Kaizer Normalization method by using the criterion that factors with Eigen value > 1.00 were retained. Loadings exceeding 0.5 were considered for determining factors. To avoid the crowding of factors, this measure was taken although the literature allows a loading of 0.33 to be the absolute minimum value to be interpreted. This criterion is being used more or less by way of convention (Vasanthi and Rayappan, 2006). KMO and Bartlett's test was also done for sample adequacy.

The frequencies and percentage was calculated to highlight the pattern that emerged. While there are no patterns in literature, content analysis based on the interpretation of the various statistical tests is done to arrive at inferences and satisfy the objectives of the study. The field of Competency management has invited interesting questions and these have been explored with increasing sophistication as times changed.

### Section 1 – Demographics

The data collected has been analyzed and interpreted in this section relating to different demographics like *department, designation, qualification, gender and experience* of employees.

### 1. Department

The departments are the skeletal frameworks for any organization. The  tangible and intangible nature of any organization is clearly evidenced in the Departments. A majority

of them were in projects (60.5%) and the rest of them were in process (30.3% ) very few of them were in marketing and finance sections. The Distribution of Sampled Respondents by departments is shown in figure 5.1 The contemporary organizations like the IT organizations are project based and hence most of the employees were attached to the Projects.

**Figure 5.1: Distribution of Sampled Respondents by departments.**
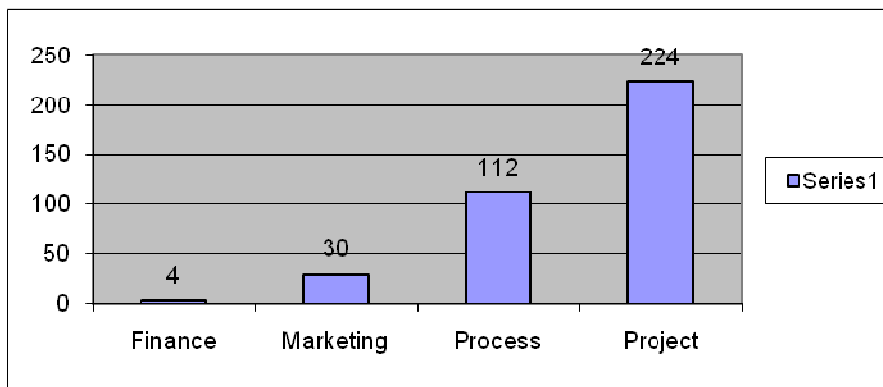


## 2.Designation

It was observed that a majority of the respondents werem (45.7%) were programmers and (27.3%) were  software engineers. A few of them were designated as team leads (7.6%), analyst ( 7.6%) and business development executives (10.5%). Distribution of Sampled Respondents by designations is shown in Figure 5.2. It was observed that the nature of work in the IT organizations is similar in nature but different job titles were used by the organizations in different contexts.

**Figure 5.2: Distribution of Sampled Respondents by designation.**
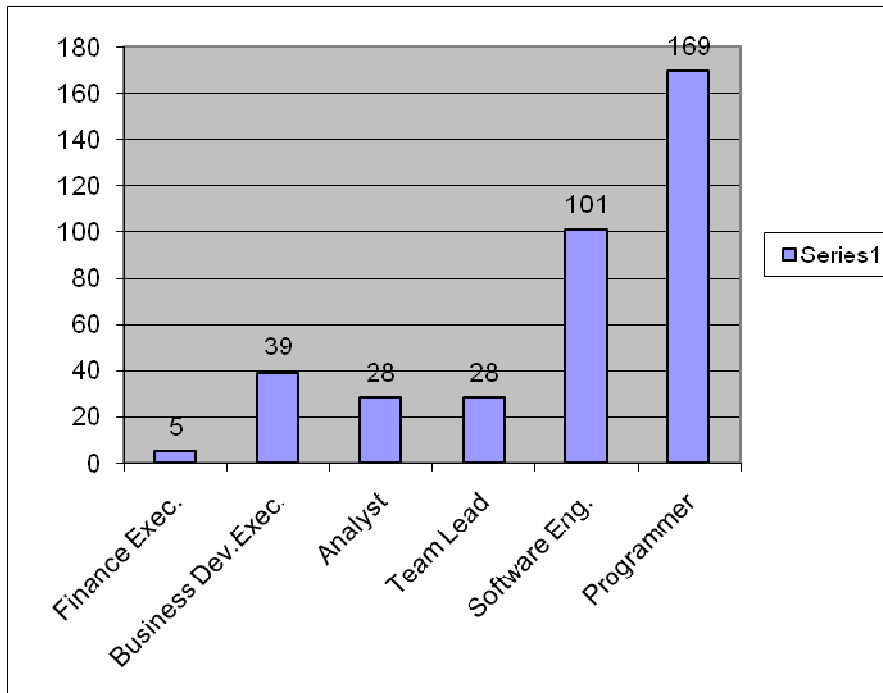
## 3.Qualification

Education is an important attribute of the human beings to scale higher positions in the organization and social life. However, the most important dimension of education is reflected in the organization where individuals input the knowledge and skills learnt as part of education before and after joining the organization. Besides, education standards of the employees indicates the nature of the organization i.e. skills or capabilities which can impact the productivity and performance of the employees. The educational standards of the participants provide an indication towards the organizational disposition towards the competence management programs. Education shapes and builds on one's career in the acquisition of the required skills/competencies and the knowledge in sustaining business. It all the more adds and improves the social status of a person. Distribution of Sampled Respondents by Educational Qualifications is shown in Figure 5.3 shows the educational profile of the sampled respondents. Respondents for this study had different educational background, most of them were with a single degrees but some had a combinations of the degrees. A majority of the respondents had technical background like MCA and B.Tech (31.4% & 30.3%) respectively. A few of them however had

professional degrees like MBA (11.6%), MSc (15.4%) etc. It is but natural for every IT organization to engage itself in every vertical and hence the diversified educational backgrounds of the sampled respondents(5.3%).

**Figure 5.3: Distribution of Sampled Respondents by Educational Qualifications**
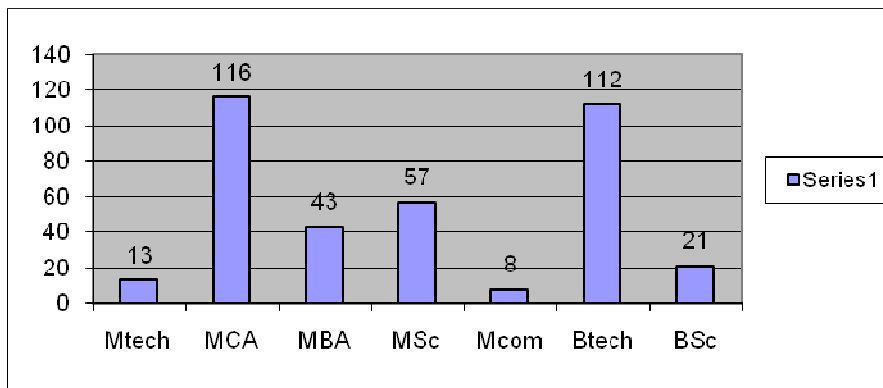


## 4. Gender

Gender representation in IT organizations reflects discrimination towards women it shows higher participation of male executives in the organization. Besides, it also indicates the organizational focus on equanimity in the process of development of human resources in the organization. The total respondents were categorized based on the gender of which    66.8% were male respondents and 33.2% were female respondents. Distribution of Sampled Respondents by gender is shown in figure 5.4. The data indicate that there is a skewed distribution of the respondents both in the collection of the data and also in the hiring process of the organizations. As the percentage of male is more than the female, it is necessary that such a skewed selection of the women in the recruitment programs could be minimized by allocating more percentage of slots for women in the organizations policy.

**Figure 5.4: Distribution of Sampled Respondents by gender.**
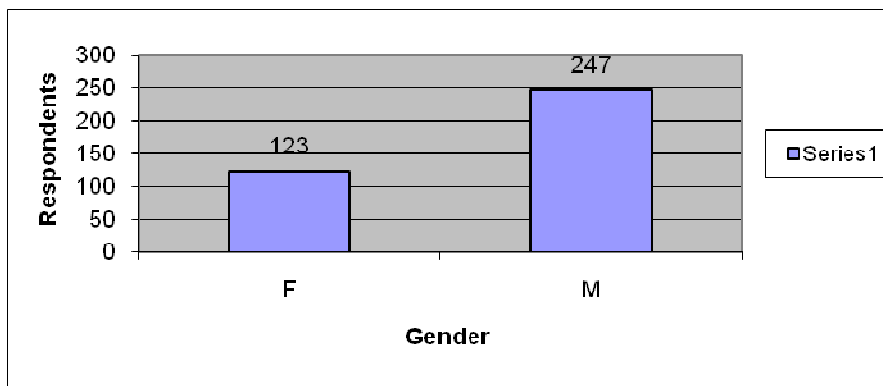


## 5. Experience

Based on experience it is observed that a majority of them had an experience of 1-5 years (78.6%   followed by respondents who had 6-10 years of experience (15.9%  ). Distribution of Sampled Respondents by Experience of the respondents is shown in Figure 5.5. Since the It industry is dynamic and throws out opportunities, very few are found to have a long experience in the organizations (5.9%)

**Figure 5.5: Distribution of Sampled Respondents by Experience of the respondents**.
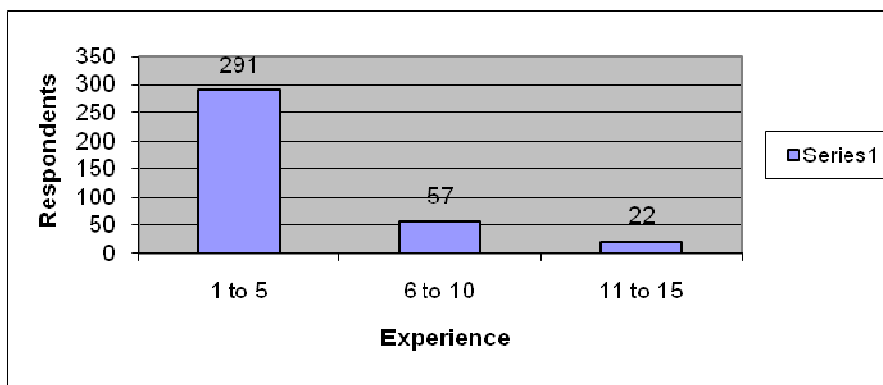
In summary a majority of them were attached to projects and involved in development activity. A good number of them were post graduates and majorly male in composition with about 1 to 5 years of experience.

**Section 2 – Awareness**

Awareness is important to achieve individual growth and organizational development. This is more so  in knowledge based organizations like the IT sector where there is not only need for competencies but also for competence management and development. Awareness provides clarity  in terms of the expectations from the employee on the job, thus making the target achievement all the more easier. The awareness helps in proper utilization of the strategies and information systems that are available to access highly pertinent information to manage the vital responsibilities effectively. Awareness on competencies and their use in HR functions have been solicited from the employees, the analysis of which is presented below.

1. **Awareness on the concept**

Awareness makes the understanding clear for the employees and lays the direction for further course of action leading to clarity on the job to be performed. It is observed in that a majority of the respondents were aware about the concept of competence as a practice (82.6% ). Very few of the respondents said that they were not aware (16.6%). Distribution of Sampled Respondents Awareness on Competency is shown in figure 5.6.

**Figure 5.6. Distribution of Sampled Respondents Awareness on Competency**



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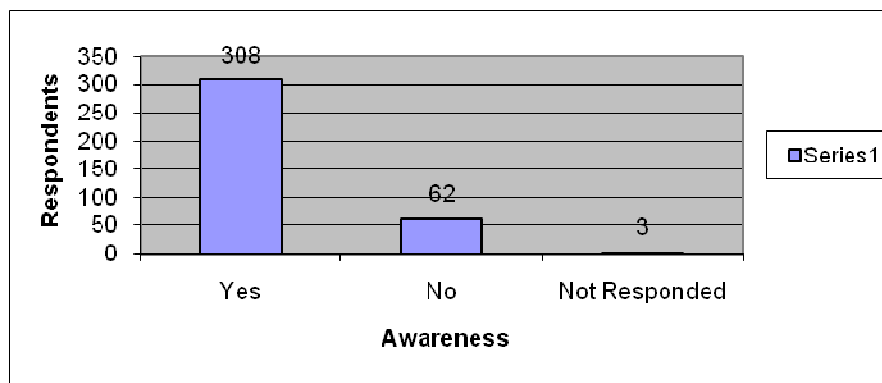
## 2. Awareness on competency in the context of HR functions

The context in which the employee awareness was concerned a majority of the respondents were aware of the competencies with respect to the *recruitment function* (92.4%) which shows that the recruitment activity is competence based most of the time. A good number of respondents were aware of the competencies with respect to the training activities in the organizations (79.40%). Few of the respondents were aware of the competencies with respect to the compensation planning (40.50%). The distribution of Sampled Respondents Awareness on competency in the Context of HR function is shown in figure 5.7. Of late the HR activities and the HR functions got the recognition in terms of managing the valuable resources of any organization and thus if the HR has to be effective in managing the human resources it needs to be competitive and by using the competencies for its functions the HR functions can be effectively utilized in terms of generating profits for the organization by reaching the goals and also it motivates. Note: Multiple responses and hence the total is not 100.

**Figure 5.7 Distribution of Sampled Respondents Awareness on competency in the Context of HR functions.**
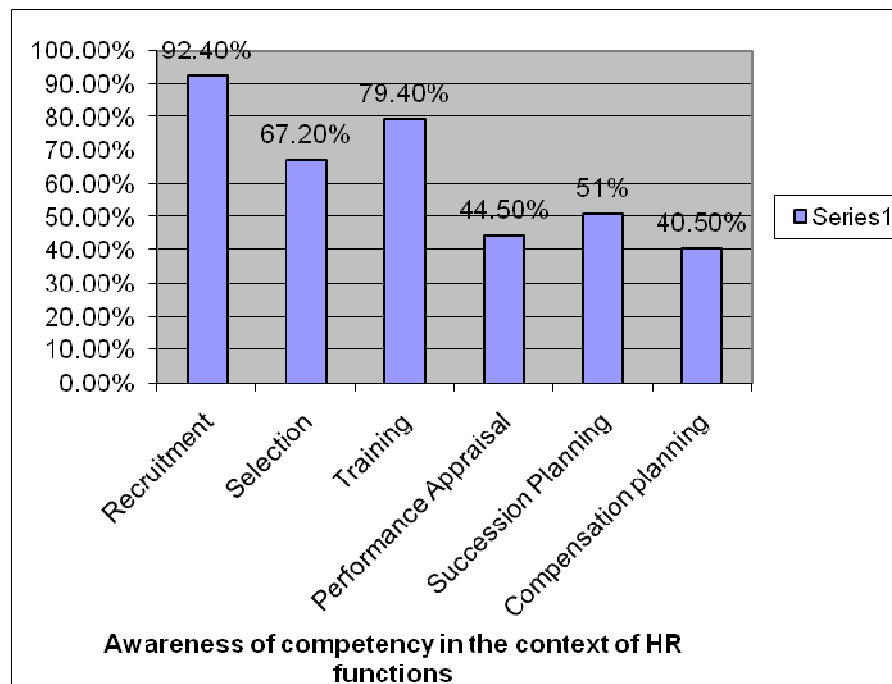
### 3. Awareness of employees on Competencies for each job.

The process of listing competencies makes the job clearer and easy to achieve the results. It will make the task realistic. It helps the management in arranging the required resources and the support needed from the decision makers in the process of achieving the task. The distribution of Sampled Respondents Listing Competencies for the job is shown in figure 5.8. Majority of the respondents said that the organizations *always* list out the competencies for each and every job (45.70%), a good number of the respondents said sometimes organizations list competencies for each job (35.40%) and very few of the respondents said that said never the organizations list competencies for each job (17.60%).

**Figure 5.8 Distribution of Sampled Respondents Listing Competencies for the job.**
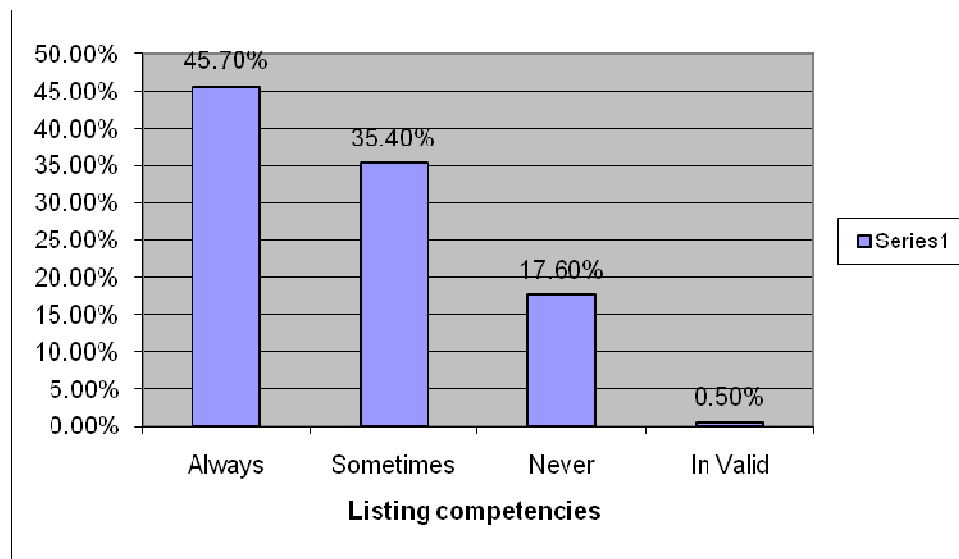


### 4. Awareness of employees on Competency based selection

Selection is an important activity in the recruitment process through which the right choice of the best hire for the organizations can be made. A majority of the respondents said always the organizations select the employees based on listed competencies for each

job (47%), quiet a few said that sometimes organizations select the employees based on listed competencies for each job (30.6%) followed by very few of the respondents said *never* the organizations select the employees based on listed competencies for each job (21.9%). It is thus clear that employees were aware of the importance of listing competencies for each job and the practice of competency based selection in the respective organizations. The distribution of Sampled Respondents for Competency based selection is shown in figure 5.9.

**Figure 5.9 Distribution of Sampled Respondents for Competency based selection.**
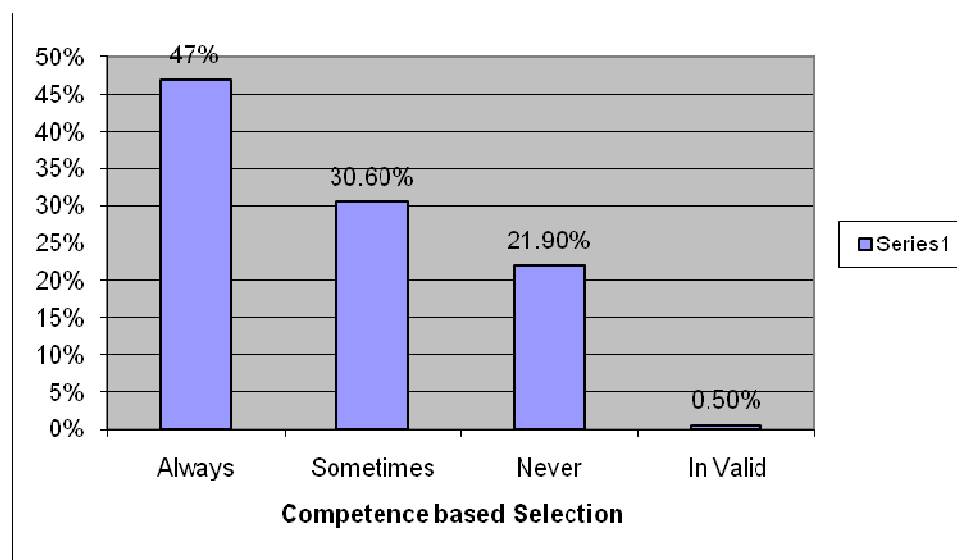


In summary, it was encouraging to note that a majority of them were aware of the concept and competence management as a practice in their respective organizations. Employees were aware of competencies as in use in recruitment followed by training and selection in that order. It was also revealed through the study that employees were aware of the organizational practice of listing and selecting the hires through competency management practice.

**Section 3 – Application of Competencies**

This section deals with the *application* and *identification* of competencies in the organizations. Competencies are widely applied in the organizational practice as they contribute to the prediction of effectiveness. Competency management can bring about

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many advantages for the organization (Becker & Huselid, 1999; Heinsman, Koopman, & Van Muijen, 2005). Whether or not an organization can profit from these advantages is dependent upon the way competency management is implemented. This section examined the different hierarchies at which they are implemented in the organization, namely top management, senior management, middle management and others. Identification of competencies is also is one of the important aspects in the process of competency management. Organizational effectiveness demands that the right person identifies the competencies required for the job.

1. **Application of competencies at different levels in**

Application of competency based HRM requires significant change initiatives and there must be a compelling need and will to change. It is not just the HR but everyone in the organization must see the benefits and be willing to champion the initiative. Having championed the change, the first major challenge is to define the competencies across levels. The framework of competencies for every role across the levels in the organization needs to be decided. Figure - 5.10 clearly expresses the employee opinion about the level at which the competencies should be used for maximum results. Majority of the respondents said the competencies are at the *middle management level* (44.86%), followed by the *senior management level* (25.13%), very few said it should be applicable at the top management level (14.32%).

**Figure 5.10: Application of competencies at different levels**
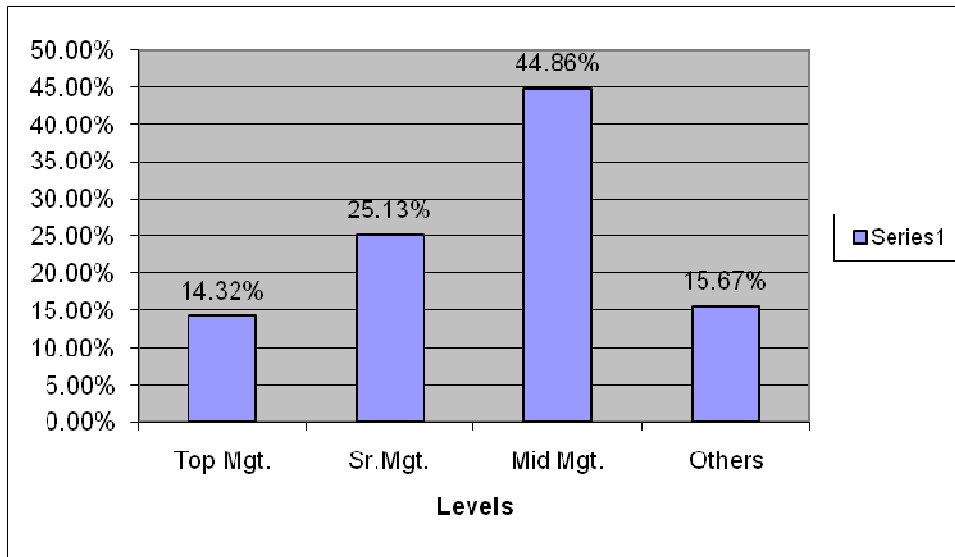
## 2. Identification Of Competencies

Competency identification is an important challenge that the organizations face. There should be a balance in the speed and the rigor with which competencies are identified for a job to give results. Majority of the of respondents said that the competencies are identified by *line managers* (40.81%) as they are directly in touch with the employees and know the capability of their staff moreover has sound expertise technically and are best in identifying the competencies for the job. (32.70%) of the respondents felt that *department heads* identify the competencies. They are fully aware of the benefits and are thoroughly informed about the resources and the expectations from the management hence can do justice to the task of identifying competencies for the jobs. Few of the respondents felt that the *HR* (22.97%) has all the information about the employees regarding the expertise, knowledge, capabilities their past performances and thus can in cooperation with the department heads can identify the realistic competencies for each job and can also give the responsibility to the right person. The distribution of Sampled Respondents on the Identification of competencies is shown in figure 5.11. It is observed that be it department heads, Hr, LM they face many challenges in the process of competency identification like not enough time allotted for the project, resistance from the staff, lack of management support and commitment, poor communication and a

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culture that does not support competency practices and lack of awareness on the benefits are real time issues. Who identifies does make an impact on the results achieved more than that the circumstances in which these competencies are identified needs attention. The competency identifiers find themselves in hard place as they are expected to perform without sufficient time and resources. Under these circumstances the rigor is sacrificed to expediency, and the competency identified are neither valid nor reliable which further might lead to no credibility with the policy makers which can make them unenthusiastic. It is very important for those who identify the competencies should be clear about the time and other resources required to produce high quality results. Hence the policy makers /decision makers should be informed about the relationship between resource availability and quality of the results they will receive.

**Figure 5.11: Distribution of Sampled Respondents on the Identification of competencies**
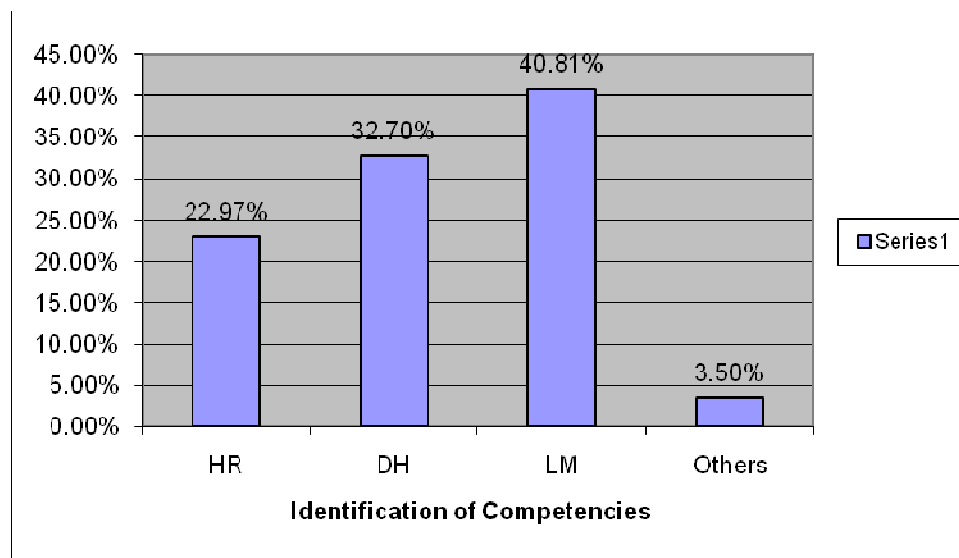


In summary, it could be said that the application of competencies in the organizations is at the middle management level followed by the senior management level. Moreover the employees felt that the line managers identified the competencies. This is in conformity with the prevalent practices in IT organizations. As they have a thorough knowledge of the work and also know the employees capabilities in totality.

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**Section 4** – **Employee perceptions**

This section deals with the employee perceptions on the competence based HR functions, role of competence practice and the talent management practices of the organizations under different sub heads.

1. **Competency based HR functions**

Employee perceptions on competency based HR functions was collected and subjected to a factor analysis. A *factor analysis* on various hr functions was done to resolve the set of variables into new categories known as *factors*. It helped to reduce the complexity of observed variables into new variables which summarizes the commonality of all the variables. The data collected from 370 employees working for different IT organizations was subjected to factor analysis by the principal component factor analysis with Varimax Rotation by using the criterion that factors with Eigen value > 1.00 were retained. Loadings exceeding 0.05 are generally considered for determining factors. The literature on the factor analysis allows a loading of 0.33 to be the minimum value for inclusion. This criterion is being used more or less by way of convention (Vasanthi and Rayappan, 2006). Hence, the Set Criteria was used to arrive at the factors. (Table – 5.1)

**KMO and Bartlett's Test**

| Kaiser-Meyer-Olkin Measure of Sampling Adequacy. | | .744 |
|---|---|---|
| Bartlett's Test of Sphericity | Approx. Chi-Square | 3753.625 |
| | Df | 153 |
| | Sig. | .000 |

From the above data, KMO measure of  0.744 is acceptable as it is more than 0.5.Moreover, it  falls under the 'good' quality. It gives confidence that factor analysis is appropriate for the given sample. Also, Bartlett's Test of Sphericity should have significant value of less than 0.05.  In this case, the significance level in Bartlett's test is .000 and hence highly significant. The factor analysis in this case is  therefore considered appropriate.

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**Table 5.1: Variable loadings of the different functions using competencies by the Varimax Rotated Principal Components (N = 370)**

| | | Loadings | Eigen Value | Variance (in %) |
|---|---|---|---|---|
| Factor – 1 Recruitment | | | | |
| 1. | Defining Key criteria | 0.772 | 6.461 | 38.007 |
| 2. | Identifying behaviour indicators | 0.708 | | |
| 3. | Interviews | 0.700 | | |
| Factor – 2 HR Planning | | | | |
| 1. | Job description | 0.489 | 1.870 | 11.000 |
| 2. | Advertising positions | 0.432 | | |
| Factor – 3 Performance appraisal | | | | |
| 1. | Clear expectations | 0.597 | 1.633 | 9.605 |
| 2. | Feedback | 0.452 | | |
| Factor – 4 Training | | | | |
| 1. | Identify training need | 0.445 | 1.126 | 6.625 |
| 2. | Evaluating training programs | 0.334 | | |

| Factor – 5 Compensation and Rewards | | | | |
|---|---|---|---|---|
| 1. | Competitive pay package | 0.594 | 1.058 | 6.226 |
| 2. | Performance incentives | 0.366 | | |

Table – 5.1 highlights the factors, item loadings, Eigen value and percentage of variance explained by each factor. The factor analysis yielded five factors accounting for 71.463% of the total variance. The 1ˢᵗ Factor – *Recruitment* consisted of three items and explained 38.007% of total variance. Among the five factors, recruitment explains the maximum variance and is the most important competency based HR function. In Factor – 1, *defining key criteria* with a loading of 0.772 is the most important competency based item thus employees perceived defining key criteria in recruitment assumes significance in organizations.

The 2ⁿᵈ Factor – *Human resource planning* - is the next in order of preference. It has two items and explains 11.000% of the total variance. *Job descriptions are considered as important factor with a* loading of 0.489 as it helps the HR in identifying the kind of competencies that are needed to perform a given job, the qualifications needed and in preparing the behavior related interview questions.

The 3ʳᵈ Factor – *Performance Appraisal* consists of two items and explains 9.605% of the total variance and is next in order. *Clear expectations* with a loading of 0.597 is the most important item in this factor, as it enables the employees to achieve the target with perfection as the communication in terms of expectations will be clear.

The 4th Factor - *Training* consists of two items and explains 6.625% of the total variance. *Competencies are considered for identifying training needs* with a loading of 0.445. Identifying the training needs enables and also helps in identifying the relevant training

programs, which help the employee in career growth with optimum output but also aims at the organizations in developing the competences of its employees in developing the career also.

The 5$^{th}$ Factor – *Compensation and Rewards* consists of two items and explains 6.226% of the total variance. *Competencies are considered for competiti*ve pay package of 0.594 and is the next important item in this which increases the morale of the employees. Thus, these new categories in terms of the factors that emerged explain the important HR functions that are competence based in the organizations. It also highlights which functions should be using competencies for effective management of the employees. The Scree Plot with the Eigen value and the Component number is given in Figure –5.12.

An attempt was made to calculate the mean scores and standard deviation to check the consistency in their responses and examine the patterns that emerged. Table – 5.1A provides the scores.

**Table 5.1A - Mean scores and Standard deviation for competency based HR functions.**

| Functions | Mean | Std. Deviation |
|---|---|---|
| Func_Advt_Position | 2.59 | 1.078 |
| Func_Def_key_Criteria | 2.59 | 1.170 |
| Func_identify behaviour indicator | 2.69 | .975 |
| Func_behaviour based interviews | 2.46 | .957 |
| Func_job description | 2.70 | 1.028 |
| Func_selecting best candidate | 2.67 | .934 |
| Func_assessing training outcomes | 2.73 | .952 |
| Func_providing feedback on performance | 2.76 | 1.020 |
| Func_employee engagement | 2.57 | .969 |
| Func_identify training | 2.63 | .966 |

| | | |
|---|---|---|
| needs | | |
| Func_evaluate training programs | 2.53 | .908 |
| Func_training employee for performance | 2.68 | .955 |
| Func_expectations are clearly communicated | 2.61 | 1.107 |
| Func_transparency in appraisals | 2.52 | .980 |
| Func_competitve pay package | 2.51 | 1.057 |
| Func_succession planning | 2.68 | .967 |

As can be seen from the table 5.1A, recruitment - selecting best candidate (2.73), behavior based interviews (2.70) and defining key criteria (2.69) mean score reflects the same pattern in their responses. The scores also reveal training as an other important function where competencies could be used. Training outcomes (2.76), evaluating training programs (2.68) stand out prominently in the training function. The other functions have a lower mean score and hence should be focused by the organizations for effective result oriented practices. On the other hand, perception of the group relating to advertisement of position had an S.D value of 1.170, identifying vacancy with a S.D value of 1.061 and transparency in appraisals with 1.057 as the functions that have effective results. This was confirmed in the factors that emerged in factor analysis too in their perception of functions using competencies in the organizations.

**Figure 5.12 : Competency based HR functions**

**Scree Plot**
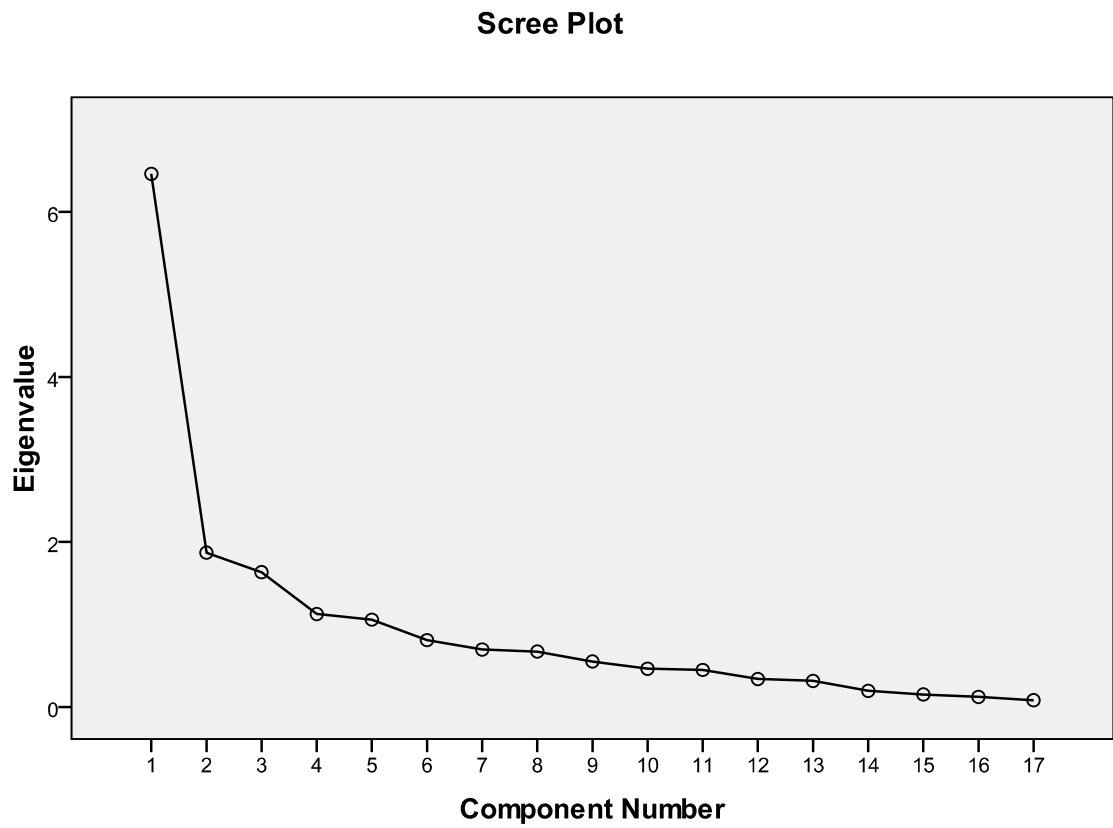


2. **Role of competencies in the organizations**

KMO and Bartlett's Test

| | | |
|---|---|---|
| Kaiser-Meyer-Olkin Measure of Sampling Adequacy. | | .657 |
| Bartlett's Test of Sphericity | Approx. Chi-Square | 359.956 |
| | Df | 21 |
| | Sig. | .000 |

From the above data, KMO measure of 0.657 is acceptable as it is more than 0.5.Moreover, it falls under the 'good' quality. It gives confidence that factor analysis is appropriate for the given sample. Also, Bartlett's Test of Sphericity should have significant value of less than 0.05. In this case, the significance level in Bartlett's test is .000 and hence highly significant. The factor analysis in this case is therefore considered appropriate.

**Table 5.2 - Variable loadings on the Role of competencies in the organizations by the Varimax Rotated Principal Components (N = 370)**

| | | Loadings | Eigen Value | Variance (in %) |
|---|---|---|---|---|
| Factor – 1 Individual Development | | | | |
| 1. | Developing competencies | 0.671 | 2.285 | 32.641 |
| 2. | Performance appraisal improves employee development | 0.634 | | |
| Factor – 2 Organizational Development | | | | |
| 1. | Openness to change | 0.650 | 1.329 | 18.990 |
| 2. | Policies | 0.472 | | |

Table – 5.2 highlights the factors, item loadings, Eigen value and percentage of variance explained by each factor. The factor analysis yielded two factors accounting for 51.631% of the total variance. The 1st Factor – Individual development consists of two items and explained 32.641% of total variance. Among the two items, item 1 - *developing competencies* with a loading of 0.671 highlights the role of competencies in the developing the employees in an organization. It increases the employee effectiveness thus making them competent in performing their tasks.

Factor – 2 *organizational development* is the next in order of importance. It has two items and explains 18.990% of the total variance. The first item in this factor is *openness to change* with a loading of 0.650. Every organization should have a culture of proactive thinking and open to accept the challenges in order to emerge successful in the changing and dynamic organizational context. Thus, these new categories in terms of the factors that emerged explain the role of competence based individual and organizational factors towards the employee and the organizations development. The Scree Plot with the Eigen value and the Component number is given in Figure – 5.13.

An attempt was made to calculate the mean scores and standard deviation to check the consistency in their responses and examine the patterns that emerged. Table – 5.11A provides the scores.

**Table 5.2A- Mean and standard deviation Scores on role of competencies**

|  | Mean | Std. Deviation |
|---|---|---|
| Training employees | 2.94 | .839 |
| Encourage creativity & innovation | 3.08 | .870 |
| Developing capabilities | 2.88 | .845 |
| Policies | 2.96 | .827 |
| Performance appraisal improves employee development | 2.93 | .950 |
| Openness to change | 3.14 | .848 |
| Hiring competent staff | 3.01 | .877 |

As can be seen from the table 5.2A, openness to change (3.14), encourage creativity and innovation (3.08) and Hiring competent staff (3.01) mean score reflect the same pattern in their responses. All the other capabilities have a lower mean score and hence should be focused for considering competencies in those respective areas. On the other hand, hiring competent staff has a S.D value of 0.877 and encouraging creativity and innovation has 0.870. This was confirmed in the factors that emerged in factor analysis in their perception on the role of competencies in the organizational framework. As shown in table 5.2A

**Figure 5.13. Employee perceptions on role of competencies.**



Scree Plot

**3. Talent Management practices**

| Kaiser-Meyer-Olkin Measure of Sampling Adequacy. | | .744 |
|---|---|---|
| Bartlett's Test of Sphericity | Approx. Chi-Square | 3753.625 |
| | Df | 153 |
| | Sig. | .000 |

From the above data, KMO measure of  0.744 is acceptable as it is more than 0.5.Moreover, it  falls under the 'good' quality. It gives confidence that factor analysis is appropriate for the given sample. Also, Bartlett's Test of Sphericity should have significant value of less than 0.05.  In this case, the significance level in Bartlett's test is .000 and hence highly significant. The factor analysis in this case is  therefore considered appropriate.

**Table 5.3 - Variable loadings of employee perceptions on Talent Management practices by the Varimax Rotated Principal Components (N = 370)**

| | | Loadings | Eigen Value | Variance (in %) |
|---|---|---|---|---|
| Factor – 1 Talent Acquisition | | | | |
| 1. | Behaviour based interviews | 0.834 | 2.186 | 36.441 |
| 2. | Hiring competent staff | 0.688 | | |
| Factor – 2 Talent Development | | | | |
| 1. | Job related training programs | 0.809 | | |

| 2. | Encourage creativity & innovation | 0.480 | 1.182 | 19.702 |
|----|-----------------------------------|-------|-------|--------|
| Factor – 3 Talent Retention | | | | |
| 1. | Challenging work assignment | 0.968 | 1.020 | 16.993 |

Table – 5.3 highlights the factors, item loadings, Eigen value and percentage of variance explained by each factor. The factor analysis yielded three factors accounting for 73.136% of the total variance. This suggest that there are other factors which contributed to managing talent in the organization other than the routinely used categories – talent acquisition, talent development and talent retention. The organizations thus need to focus on these factors for talent management.

Factor – 1 is Talent Acquisition consisting of two items and explained 36.441% of total variance. Among the two items, item -1 which is *behavior based interviews* with a loading of 0.834 explains the maximum variance and is the most important factor for selecting the right candidates for the right jobs especially in the IT companies as they face talent crunch.

The 2$^{nd}$ Factor – Talent development is the next in order o f importance. It has two items and explains 19.702% of the total variance. In *Talent Development* the first item is *job related training program* with a loading of 0.809 is the important item as most of the employees expressed dissatisfaction over the content of the training programs and felt that job related training programs will help them in improving their capability and also in improving their competencies.

The 3$^{rd}$ Factor – *Retention* consists of one item and explains 16.993%of the total variance and is next in order. *Challenging work assignments* with a loading of 0.968 is the most important item in this factor. The reasons that employees are cite for leaving the current employer   and joining another company was challenging work assignments. Hence

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organizations should take care in engaging their staff with challenging roles and continuous creativity should be encouraged.   Thus, these factors that emerged help the organization with talent acquisition, development and retention is posing a challenge to the Information Technology sector as a whole. The Scree Plot with the Eigen value and the Component number is given in Figure – 5.14.
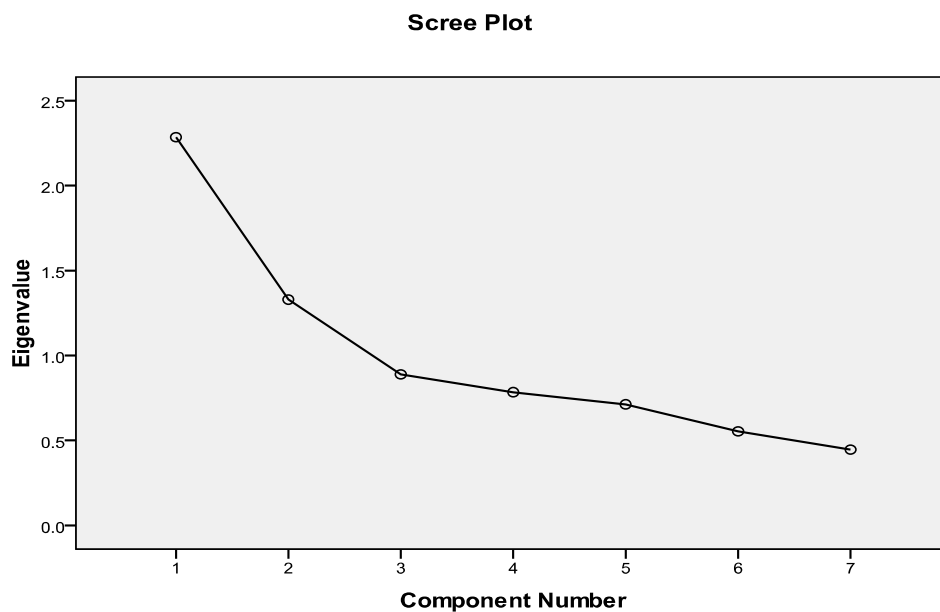
An attempt was made to calculate the mean scores and standard deviation to check the consistency in their responses and examine the patterns that emerged. Table – 5.3A provides the scores.

**Table 5.3A – Mean and standard deviation scores.**

|  | Mean | Std. Deviation |
|---|---|---|
| Hiring competent staff | 2.14 | .741 |
| Job related training programs | 2.45 | .499 |
| Challenging work assignments | 1.65 | .527 |
| Behavior based interviews | 2.57 | .496 |
| Encourage creativity & innovation | 2.48 | .500 |
| Talent Retention | 2.24 | .426 |

As can be seen from the table, behavior based interviews (2.57), encourage creativity and innovation (2.48) and job related training programs (2.45) mean score reflects the same pattern in their responses. All the other factors have a lower mean score and hence should be focused by the organizations. On the other hand, hiring competent staff is competence based with a S.D value of 0.741 and challenging work assignments with 0.527 are the areas of concern for management in managing the organization. This was confirmed in the factors that emerged in factor analysis too in their perception on talent management practices. As shown in table 5.4A.

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**Figure 5.14: Talent Management Practices.**
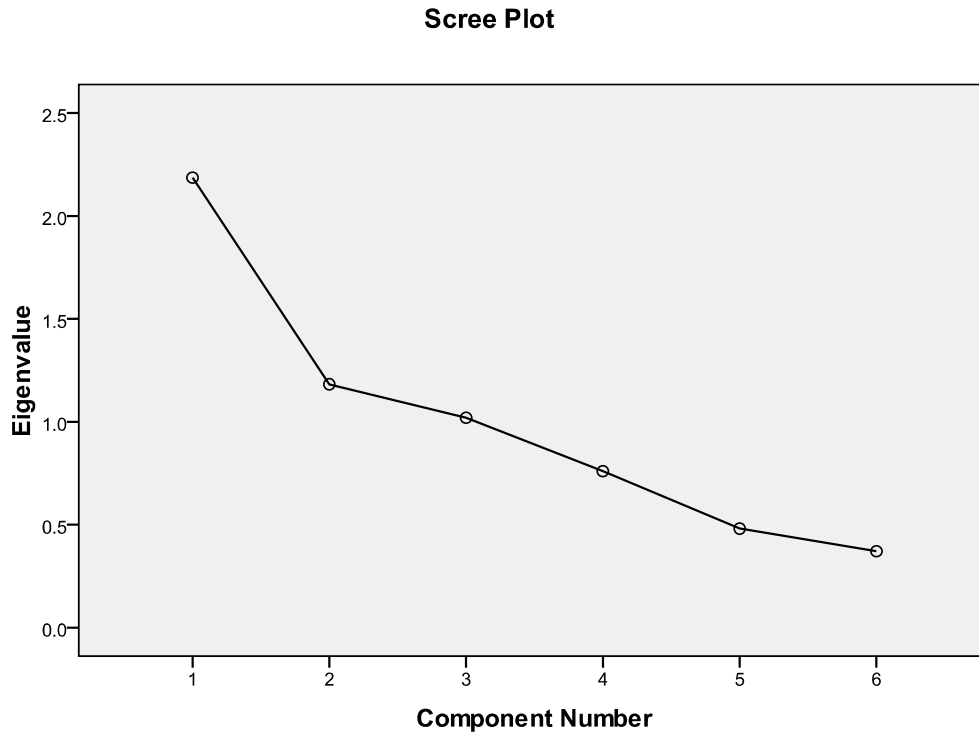


In summary, employee perceptions on the competency based HR functions were in line with the organizational practice. Recruitment followed by HR Planning and performance appraisal were perceived to be the important HR functions which should be competence based. The role of competencies was seen in terms of individual development with focus on developing competencies and highlighting the importance of competencies in performance appraisal. Competency management in relation to talent management was found in talent acquisition rather than talent development and retention. The behavioral based interviews to hire competent staff assume significance in this context.

**Section 5  - Talent Management**

This section tried to identify weather the organizations face talent shortage, the enabling and disabling factors in managing the talent of the organizations.

## 1. Talent shortage

IT companies, big or small, are facing talent shortage because of various reasons. At one level there are overseas companies and their NRI representatives luring trained and experienced hands with plum US assignments and dollar earnings. At another level, there are the smaller outfits, which cannot invest in training and development. They try to wean away employees from bigger outfits with astronomical salaries and perks. This was confirmed in the study also where a majority of the employees agreed that the organization faces talent shortage *always* (75.67%). Very few of the respondents said their organization *never* face the problem of  talent shortage(23.78%). Figure 5.15 shows the talent shortage.

**Figure 5.15 – Shortage of Talent in the organizations.**
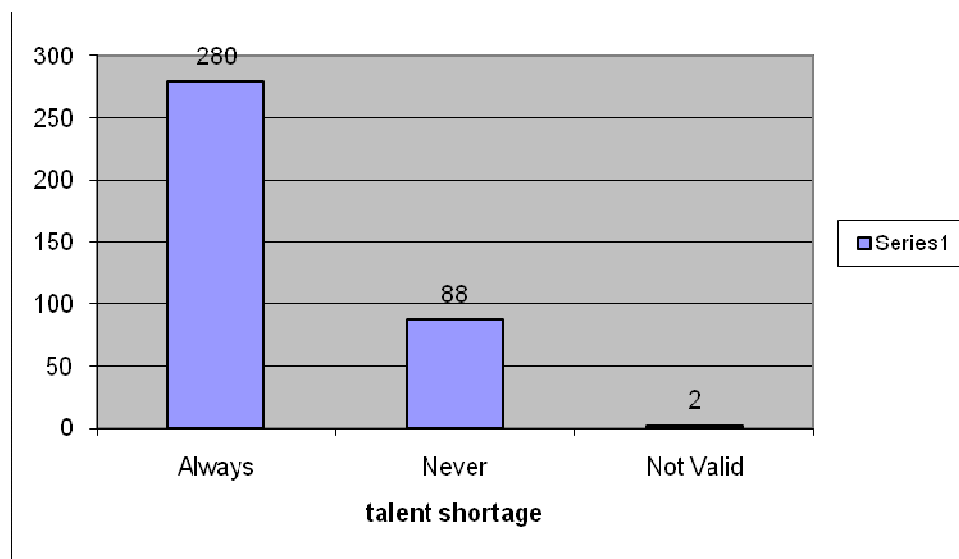


## 2.The enabling factors of talent management

### KMO and Bartlett's Test

| Kaiser-Meyer-Olkin Measure of Sampling Adequacy. | | .711 |
|---|---|---|
| Bartlett's Test of Sphericity | Approx. Chi-Square | 1019.174 |
| | Df | 66 |
| | Sig. | .000 |

From the above data, KMO measure of 0.711 is acceptable as it is more than 0.5.Moreover, it falls under the 'good' quality. It gives confidence that factor analysis is appropriate for the given sample. Also, Bartlett's Test of Sphericity should have significant value of less than 0.05. In this case, the significance level in Bartlett's test is .000 and hence highly significant. The factor analysis in this case is therefore considered appropriate.

**Table 5.5 Variable loadings of enabling factors of Talent management practices by the Varimax Rotated Principal Components (N = 370)**

|  | Loadings | Eigen Value | Variance (in %) |
|---|---|---|---|
| Factor – 1 Culture |  |  |  |
| 1. Management support | 0.977 | 6.756 | 56.302 |
| 2. Freedom stimulation | 0.977 |  |  |
| 3. Openness to change innovation | 0.976 |  |  |
| Factor – 2 Job related factors |  |  |  |
| 1. Work Relations | 0.911 | 3.080 | 25.664 |
| 2. Peer relationships | 0.911 |  |  |
| 3. Recognition | 0.804 |  |  |

| Factor – 3 Policies | | | | |
|---|---|---|---|---|
| 1. | Flexibility | 0.570 | | |
| | | | 1.068 | 8.897 |
| 2. | Transparency | 0.566 | | |

Table – 5.5 highlights the factors, item loadings, Eigen value and percentage of variance explained by each factor. The factor analysis yielded three factors accounting for 90.863% of the total variance.

The 1st Factor is *Culture* consisting of three items and explained 56.302% of total variance. Among the three items, item 1 is *management support* with a loading of 0.977 is the most important item and explains the maximum variance and is the most important factor that encourages, motivates, supports and provides all the resources for the development of talent in the organization.

The 2nd Factor is *job related factors* which is next in order of importance. It has three items and explains 25.664% of the total variance. In Factor – 2, *work relation* and *peer relationships* with a loading of 0.911 are the important items. Employees have stressed the importance of job related factors, the absence of which will de motivate the employees and result in retention problems.

The 3rd Factor is *Policies* and consists of two items and explains 8.897% of the total variance and is next in order. *Flexibility* with a loading of 0.570 is the most important item with regard to the policies affecting the talent management practices. Hence conducive policies should be developed and adopted at the organizations. Thus, these new categories in terms of the factors that emerged explain the enabling talent management strategies in the organization. The Scree Plot with the Eigen value and the Component number is given in Figure – 5.16

**Figure 5.16 – Enabling factors of talent management practices.**

**Scree Plot**
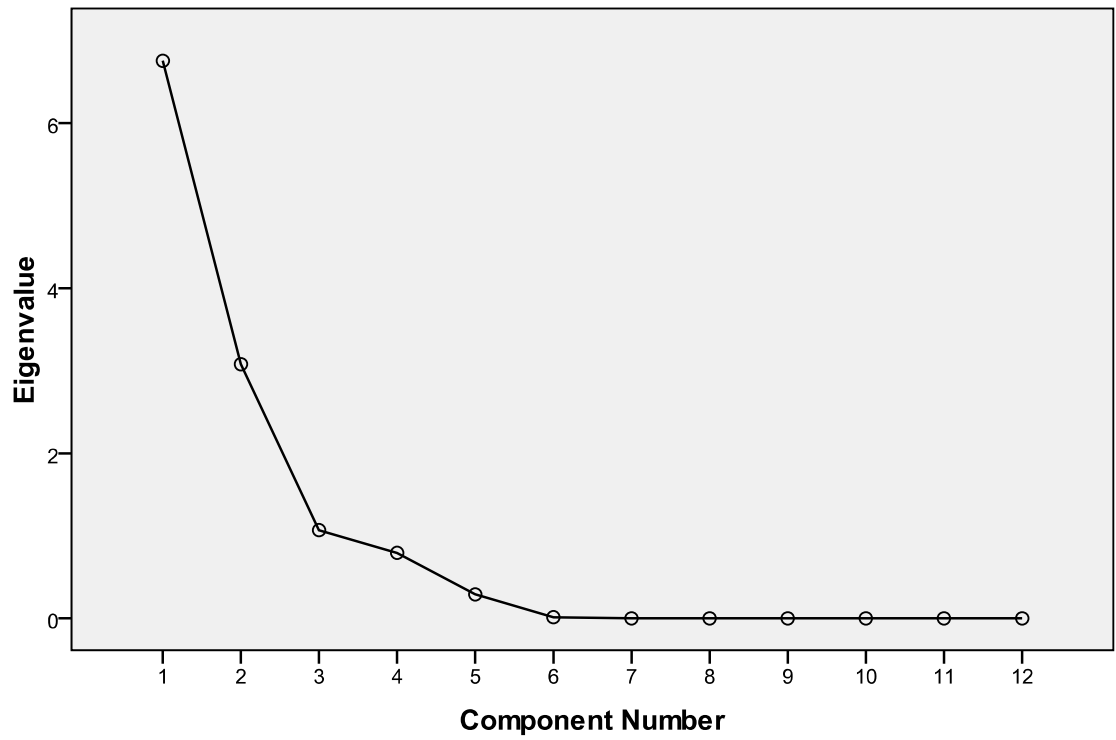


An attempt was made to calculate the mean scores and standard deviation to check the consistency in their responses and examine the patterns that emerged. Table – 5.5A provides the scores.

**Table 5.5 A – Mean and Standard scores of enabling factors.**

|  | Mean | Std. Deviation |
|---|---|---|
| Openness to change innovation | 3.08 | .787 |
| Task oriented | 2.65 | .479 |
| Management support | 3.08 | .789 |
| Freedom stimulation | 2.43 | .756 |
| Peer relationships | 2.32 | .467 |
| Nature of work | 1.78 | .464 |
| Work relations | 3.08 | .787 |
| Recognition | 2.32 | .467 |
| Job security | 3.08 | .787 |
| Encouraging creativity | 2.42 | .752 |
| Flexibility | 3.08 | .787 |
| Transparency | 2.65 | .479 |

As can be seen from the table, openness to change innovation (3.08), management support (3.08), work relations (3.08), job security (3.08) and flexibility (3.08) reflects the same homogeneous pattern in their responses. All the other talent enabling factors have a lower mean score and hence should be focused by the organization. On the other hand management support with a S.D value of 0.789 and the pattern got reinforced with a near homogenous perception of the group relating to openness to change innovation, work relations, Job security and transparency with a S.D value of 0.789 are areas of concern for managing talent in organization. This was confirmed in the factors that emerged in factor analysis too in their perception on enabling factors of talent management factors in organizations. As shown in table 5.5A

### 3. Disabling factors of talent management

KMO and Bartlett's Test

| | | |
|---|---|---|
| Kaiser-Meyer-Olkin Measure of Sampling Adequacy. | | .654 |
| Bartlett's Test of Sphericity | Approx. Chi-Square | 621.110 |
| | Df | 15 |
| | Sig. | .000 |

From the above data, KMO measure of 0.654 is acceptable as it is more than 0.5. Moreover, it falls under the 'good' quality. It gives confidence that factor analysis is appropriate for the given sample. Also, Bartlett's Test of Sphericity should have significant value of less than 0.05. In this case, the significance level in Bartlett's test is .000 and hence highly significant. The factor analysis in this case is therefore considered appropriate.

**Table 5.6- Variable loadings of disabling factors of Talent management practices by the Varimax Rotated Principal Components (N = 370)**

| | | Loadings | Eigen Value | Variance (in %) |
|---|---|---|---|---|
| Factor – 1 Organizational | | | | |
| 1. | Non Transparent Procedures | 0.845 | 2.600 | 43.341 |
| 2. | Manipulated HR Policies | 0.810 | | |

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| | Factor – 2 Individual factors | | | |
|---|---|---|---|---|
| 1. | Favoritism | 0.807 | | |
| 2. | Lack of Management Support | 0.763 | 1.149 | 19.155 |

Table – 5.6 highlights the factors, item loadings, Eigen value and percentage of variance explained by each factor. The factor analysis yielded two factors accounting for 62.496% of the total variance. The 1st Factor is *organizational Factors* consisting of two items and explains 43.341% of total variance. Among the two factors, Factor – 1 is *non transparent procedures* with a loading of 0.845 is the most important item and explains the maximum variance and is the most important disabling factor as rated by the respondents in managing the talent in the organizations. The second item is manipulated *HR policies* with a loading of 0.810 which hinder the talent management practices of the organization. Thus it reveals that the procedures should be transparent especially in dealing with the knowledge employees.

The 2nd Factor is *Individual factors* and is next in the order of importance. It has two items and explains 19.155% of the total variables. In Factor – 2, *Favoritism* with a loading of 0.807 is the important item that disables the talent management practices of the organization. The role of managements is important in encouraging the employees to perform better and also act as a catalyst to control and implement the fair policies at the individual and at the organizational level. This further motivates the employees and encourages them to become loyal towards the organizations. The second item – lack of management support is found to be another disabling factor according to the study. Individual growth and development gets stunted if the management support is not forth coming. Thus, these new categories in terms of the factors that emerged explain the strategic inputs into managing with the disabling factors of talent in the organizations. The Scree Plot with the Eigen value and the Component number is given in Figure –

5.17. Since 62.496% of variance is explained it shows that there are other factors also which are responsible for disabling the talent management practices of the organizations and hence organizations should also focus on them.

**Figure 5.17 - Disabling factors of talent management**
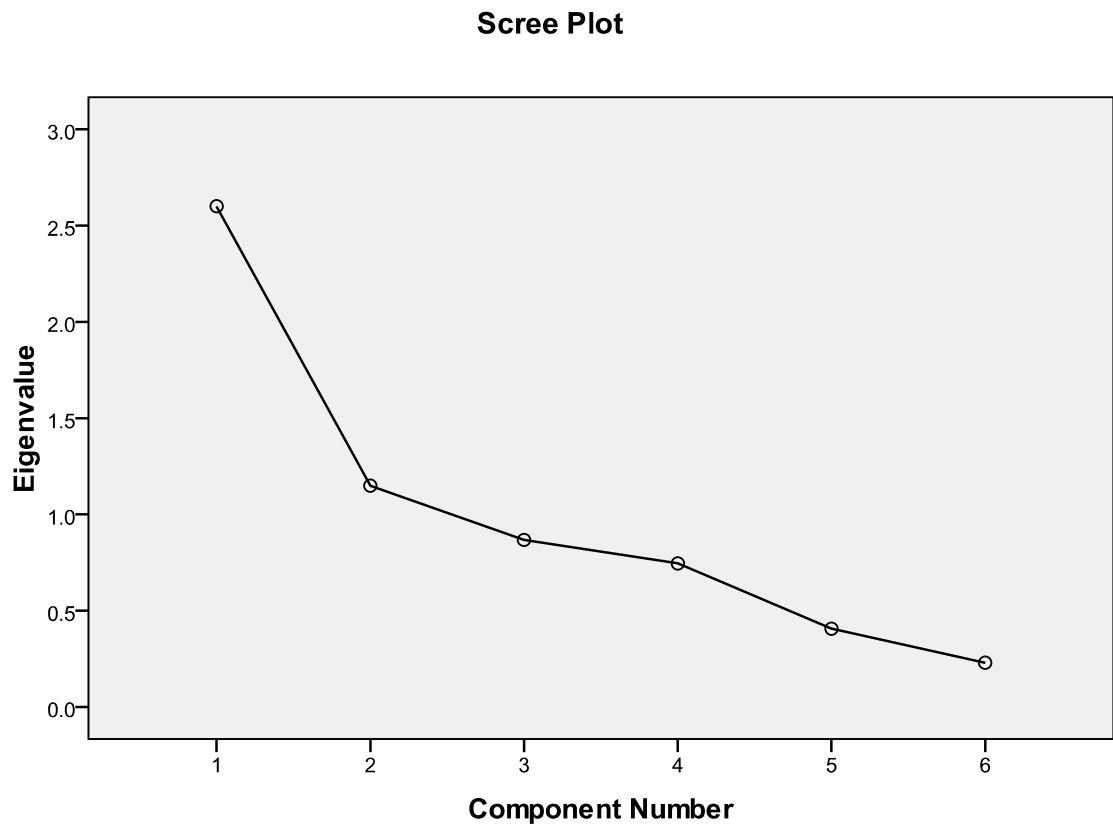
**Scree Plot**



An attempt was made to calculate the mean scores and standard deviation to check the consistency in their responses and examine the patterns that emerged. Table – 5.15A provides the scores.

**Table 5.6A – Mean and standard scores of disabling factors of talent management.**

|  | Mean | Std. Deviation |
|---|---|---|
| Favoritism | 3.34 | .788 |
| Manipulated HR Policies | 3.01 | .907 |
| Out of turn increments | 2.93 | .934 |
| Lack of management Support | 3.27 | .690 |
| Non Transparent Procedures | 2.63 | 1.157 |
| Poor Work Relations | 3.23 | .584 |

As can be seen from the table 5.6A, favoritism (3.34), lack of management support (3.27) and bad work relations (3.23) mean score reflects the same pattern in their responses. All the other disabling factors have a lower mean score and hence should be focused by the organization in managing the talent. On the other hand, non transparent procedures with a S.D value of 1.157, out of turn increments with 0.934 and manipulated HR policies with a S.D value of 0.907 are the disabling factors of concern for talent management in organizations. This was confirmed in the factors that emerged in factor analysis too in their perception on disabling factors of talent management in organizations.

In summary, the study reveals that a majority of the organizations are engaged in *talent war* because of talent shortage in the organizations. One of the important enabling factors of talent management appears to be *culture,* which entails management support, freedom / stimulation and openness to change. The job related factors also were found to have enabled the organizations in managing talent. Organizational factors – *non-transparent procedures, manipulated HR policies* were found to be the disabling factors for managing talent in the organizations. The individual factors, which disabled the organizations, were *favoritism and lack of management support*.

Thus it could be concluded that a majority of them were attached to projects and involved in development activity. A good number of them were post graduates and majorly male in composition with about 1 to 5 years of experience. Its encouraging to note that a majority of them were aware of the concept and competence management as a practice in their respective organizations. Employees were aware of competencies as in use in

recruitment followed by training and selection in that order. It could be said that the application of competencies in the organizations 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. As they have a thorough knowledge of the work and also know the employees capabilities in totality. Employee perceptions on the competency based HR functions were in line with the organizational practice. Recruitment followed by HR Planning and performance appraisal was perceived to be the important HR functions which should be competence based. The role of competencies was seen in terms of individual development with focus on developing competencies and highlighting the importance of competencies in performance appraisal. Competency management in relation to talent management was found in talent acquisition rather than talent development and retention. The behavioral based interviews to hire competent staff assume significance in this context. the study reveals that a majority of the organizations are engaged in *talent war* because of talent shortage in the organizations. One of the important enabling factors of talent management appears to be *culture,* which entails management support, freedom / stimulation and openness to change. The job related factors also were found to have enabled the organizations in managing talent. Organizational factors – *non-transparent procedures, manipulated HR policies* were found to be the disabling factors for managing talent in the organizations. The individual factors, which disabled the organizations, were *favoritism and lack of management support*.

# CHAPTER - VI
# DATA ANALYSIS

# SENIOR MANAGERS

The study was aimed at examining the awareness on competencies, the application of competencies and the factors contributing towards talent management from the employees and the senior managers from the sampled organizations. An attempt was made to capture the demographic profile of the senior managers - the department, designation, qualification, gender and experience in the organization – the awareness, the usage, and their opinions and perceptions on issues of competency management.

This chapter presents the data analysis based on the responses collected from the senior managers. The analysis has been presented under different sections. *Section 1* highlights the demographic profile of the senior managers. *Section 2* identifies the awareness of senior managers with regard to the competency as a concept and with regard to the different HR functions of the organization. *Section 3* deals with the identification and levels / hierarchies of the organization where competencies are applicable. *Section 4* covers the senior managerial perception of competencies for HR functions, role of competencies for organizations and towards talent management practices and *Section 5* includes the opinions on talent identification and identifying factors enabling and disabling the talent management process.

The demographics, awareness about competencies and application of competency practices has been analyzed in a descriptive way such as frequencies and percentages for analyzing the factual information and is presented using graphs wherever found necessary.

The opinion and perception on the importance of competencies for HR functions, role of competencies for organizations, talent management practices, basis of talent identification and identification of enabling and disabling factors of talent management process has been analyzed using the factor analysis to determine the factors that influence the opinions on these issues.

To understand the opinion of managers on the competency based functions, role of competencies in organizations, talent management practices of the organizations, a 4 point scale was used with a rating on a scale of 1-4 with 1 representing *strongly agree*, 2 representing *agree*, 3 representing *disagree* and 4 representing strongly *disagree*. The mean and standard deviation was calculated to check consistency in their perception. In addition, a factor analysis was done to resolve a large set of variables into factors. The data collected from the respondents was subjected to principal component, factor analysis by Varimax Rotation with Kaizer Normalization method by using the criterion that factors with Eigen value > 1.00 were retained. Loadings exceeding 0.5 were considered for determining factors. To avoid the crowding of factors, this measure was taken although the literature allows a loading of 0.33 to be the absolute minimum value to be interpreted. This criterion is being used more or less by way of convention (Vasanthi and Rayappan, 2006). KMO and Bartlett's test was also done for sample adequacy.

The frequency and percentage was calculated to highlight the pattern that emerged. While there are no patterns in literature – in the Indian context, content analysis, interpretation of the various statistical tests is done to arrive at inferences and satisfy the objectives of the study. The field of Competency management has invited interesting questions and these have been explored with increasing sophistication as times changed.

**Section 1 – Demographics**

The data collected with the help of competency management questionnaire has been analyzed and interpreted in this section on the basis of different demographic factors like department, designation, qualification, gender and experience with in the organization.

**1. Department wise classification of the respondents.**

The departments are the skeletal frameworks for any organization. The tangible and intangible nature of any organization is clearly evidenced in the Departments. Majority of the respondents were attached to projects (58.3%), very few were from the strategic function (16.7%), followed by HR and finance departments. The distribution of the sampled respondents department wise is shown in Figure 6.1. Projects are the backbone

for any IT organization. The organiza*tions* ability to get the projects depends on the skills of the human resources and the quality of work done by them.

**Figure 6.1: Distribution of the sampled respondents department wise.**
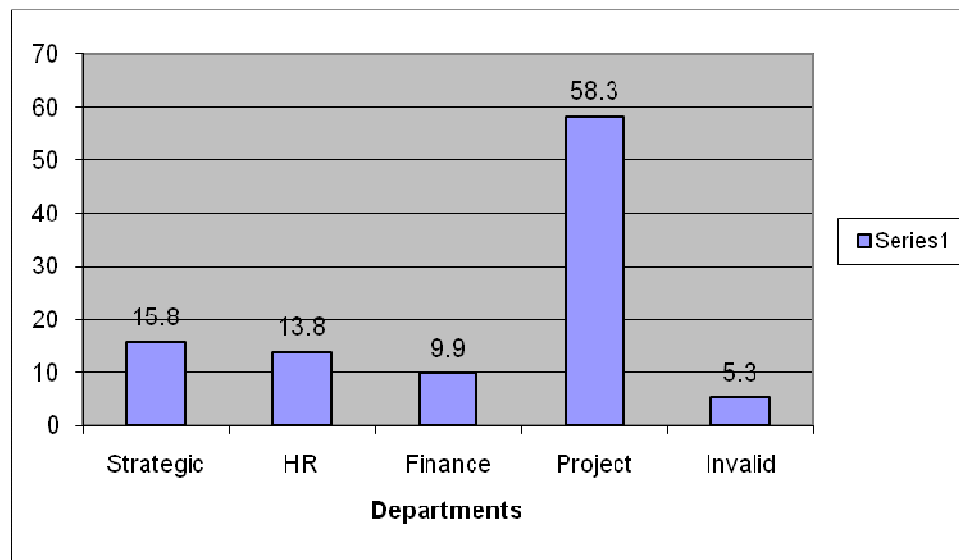


## 2. Designations of the respondents

The organizations comprises of many individuals coordinating their efforts at different levels of authority and segments of specialization for the purpose of achieving the goals and objectives of the organization. The organization structure gives the order and unity to the actions and efforts of people working for a common goal in the form of a hierarchy. In the IT sector, the organizations have their own hierarchy for the functioning of work. Figure 6.2 – shows the distribution of sampled respondents by designation. The sample was senior managers only but it was decided to look at the designations in an IT setting. It was found that majority of the respondents were designated as managers (21.1%). Very few of the respondents were project leads (14.5%) and quite a few of them were team

leads (9.2%). Every IT organization has its own structure for the functioning of its activities.

**Figure 6.2 – Distribution of the Sampled Respondents by Designation**
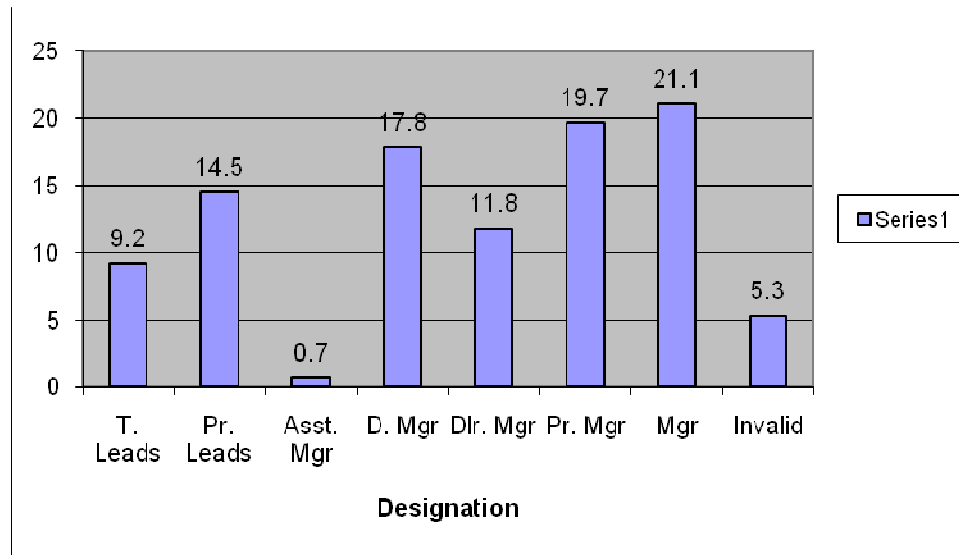


## 3. Qualification

Education plays an important role in equipping employees for their task completion. Employees working for the IT organizations need to be more conscious of this fact as competition makes or mars the employees in terms of opportunities. It was observed that employees were having multi skills and a combination of qualifications due to the fierce competition.  This study revealed that the respondents had different combinations of education background. A majority of the employees did their masters in professional courses like MBA (32.2%), MCA (19.1%) and MSc (16.4%). A good number of respondents had a technical background like BE (7.9%) as their qualification. Distribution of the Sampled Respondents by Qualifications is shown in Figure 6.3.

**Figure 6.3 – Distribution of the Sampled Respondents by Qualifications.**
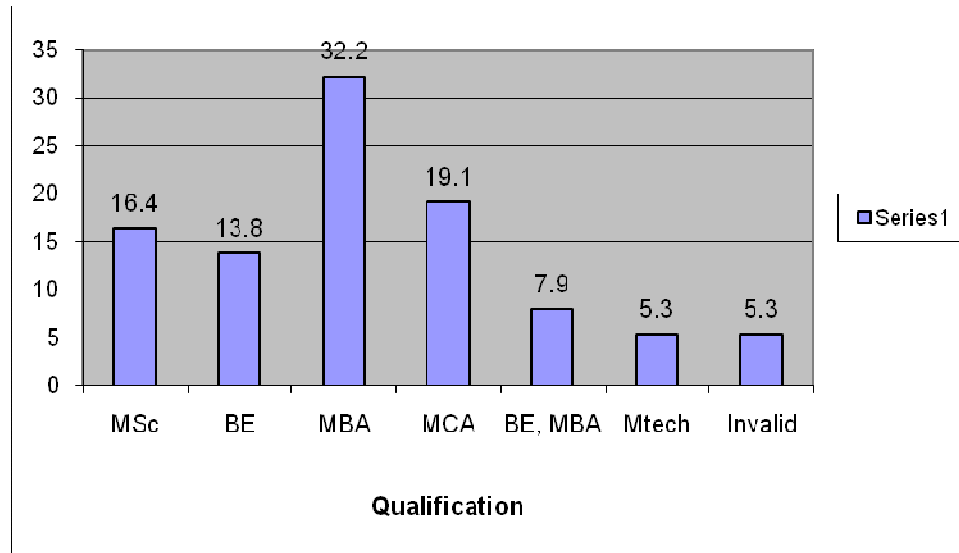


## 4. Gender

Majority of the respondents were male (69.1%). Very few were female (25.7%). Figure 6.4 shows the distribution of the sampled respondents based on gender. With the increased awareness of education, opportunities for career, more and more women are taking up professional courses its a positive indication of awareness with the parents and the individuals. Measures should be taken to encourage the women to join IT organizations in far greater numbers.

**Figure 6.4 - Distribution of the sampled respondents by gender.**
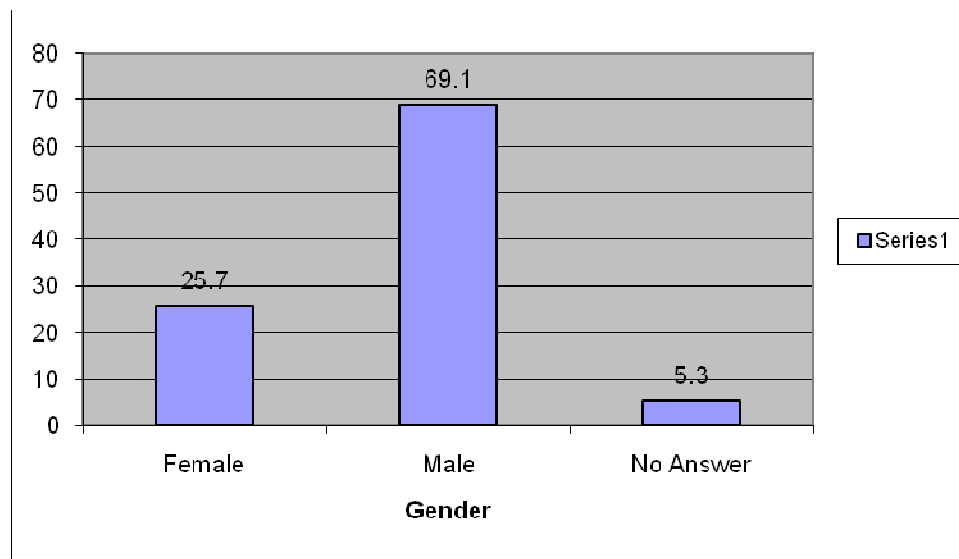


## 5. Experience

From the data collected, it was observed that majority of the respondents were having an experience of 6-10 years (59.9%), a good number of them belong to the experience group of 11-15 years (26.3%), few of the respondents, belong to the experience group of 16-20 years (4.6%). Figure 6.5 shows the distribution of sampled respondents based on experience. The data suggest that employees with skills can easily be promoted to the higher levels in an organizational hierarchy. Organizations with such a policy keeps the employee morale high in terms of promotions. The employees are also interested in exciting careers with high and new responsibilities to perform. Thus IT sector has become the career option for majority of the youngsters.

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**Figure 6 5- Distribution of sampled respondents based on experience.**
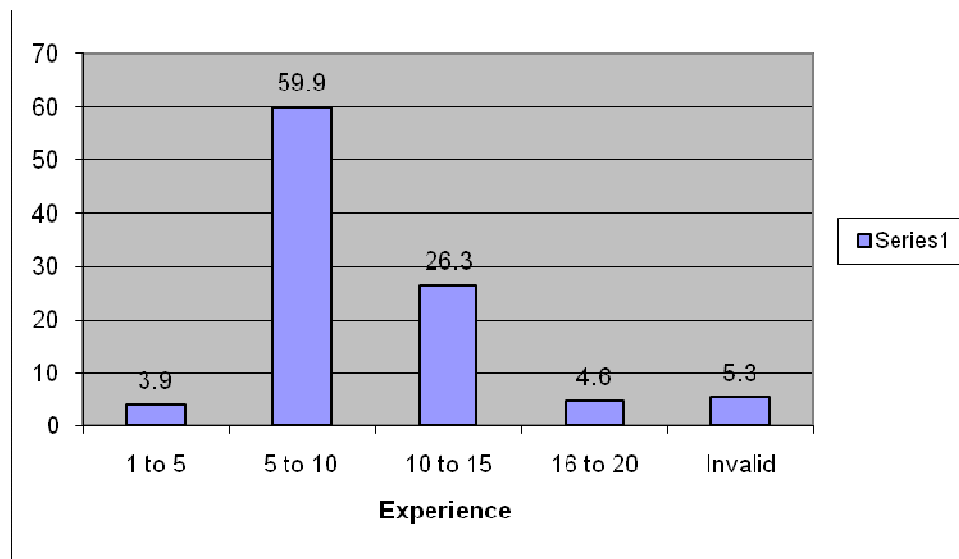


In summary, a majority of them were attached to projects and involved in development activity. A good number of them were post graduates and majorly male in composition with about 6 to 10 years of experience.

**Section 2 – Awareness on competency**

**1. Awareness on Competency as a concept**

The business success and the survival of the organizations are dependent on prompt, readily accessible, accurate and current information concerning the competency preparedness and availability of its intellectual workforce. Awareness makes the employees job clear, in terms of the expectations from the employee on the job and information makes the target achievement all the more easier.

Awareness on competency is very important for employees. It helps them in setting their energy in the right direction and doing right things with positive attitude. Employees are more likely to accept new roles and excel if they understand the reason for their efforts in any activity they do. Majority of the senior executives said that their employees were aware of competency as a concept (94.7%) and very few of the respondents (5.3%) did

not respond to the awareness question. Figure 6.6 shows the distribution of the sampled respondents awareness on competency concept. The employees in the senior positions are well aware about the importance of competencies in the organizational context. The competencies help in increasing the commitment towards the job, generates trust and willingness to use the efforts for the job and employer's awareness helps in generating the required support in terms of resources, funds and the motivation required for performing the job effectively.

**Figure 6.6: Distribution of the sampled respondents awareness on competency concept.**
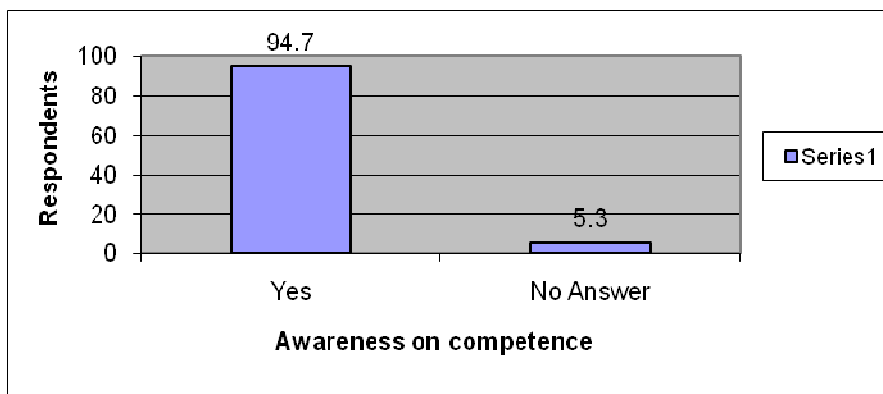


## 2. Competencies in context of different HR functions

The HR activities and the HR functions got the recognition in terms of managing the valuable resources of any organization. Thus if the HR has to be effective in managing the human resources it needs to be competitive. The respondents were aware of the competence / competencies at the work place with respect to different HR functions. Majority of the respondents had the knowledge of competence with respect to the recruitment function (99.60%), a good number of the respondents with respect to the performance appraisals (79.40%) followed by the training function (79.40%) and so on. Organizations that view their HR as a strategic business partner believe in full maturity of their HR function. They focus on attaining leadership positions rather than year to year development. It is at this stage the HR responsibility begins for identifying the core

competencies necessary for their organizations to attain leadership positions. Overall it is concluded that the employee awareness with respect to the HR functions is limited to a few functions in HRM. Hence organizations should aim at developing the competencies for the leadership positions. The distribution of sampled respondents with regard to the awareness of competence in the context of HR functions is shown in figure 6.7.

**Figure 6.7- Competencies considered for different HR functions**
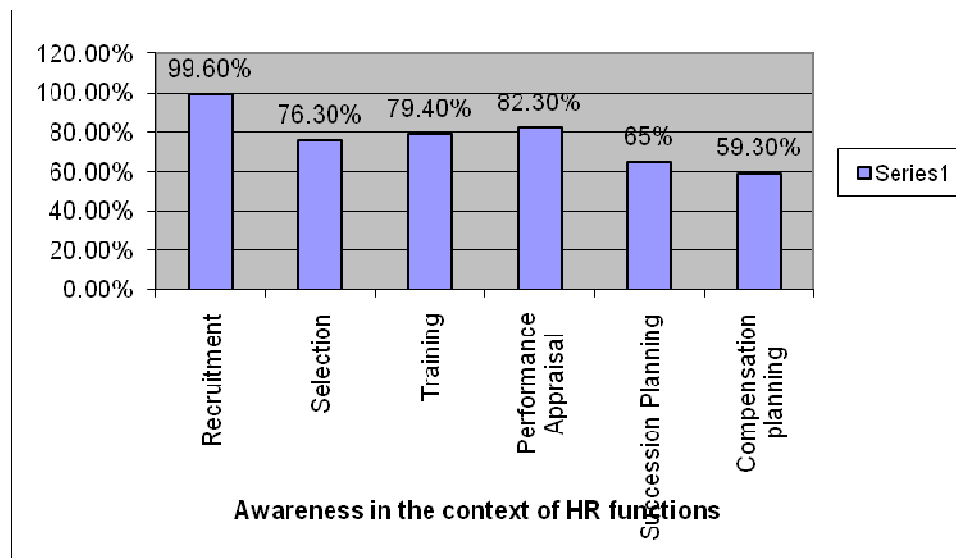


In summary, It is encouraging to note that a majority of them being fairly senior, were aware of the competency management as a concept and practice in their respective organizations. Managers were aware of competencies as in use in recruitment followed by training and selection in that order.

**Section 3 – Application of Competency Management**

This section deals with the *identification* and *application* of competencies in the organizations. Application of competency based HRM requires significant change initiatives and there must be a compelling need and will to change. It is not just the HR but everyone in the organization must see the benefits and be willing to champion the initiative. Having championed the change, the first major challenge is to define the competencies across levels.

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## 1. Identification of competencies

The competencies play an important role in every organization. Striking a balance between speed and rigor is perhaps the chief challenge that competency identifiers face. Figure 6.8 shows identification of competencies. Majority of the respondents said that the Line managers identify the competencies (41.44%), a good number of the respondents said that it is identified by department heads (17.76%) and quite a few of them said that the competencies are identified by the HR (14.47%). The managers who identify the competencies should have thorough understanding of the job and employees capability in terms of behavior. The management support is essential in terms of the resources needed for identifying the competencies for each job.

**Figure 6.8: Identification of competencies.**
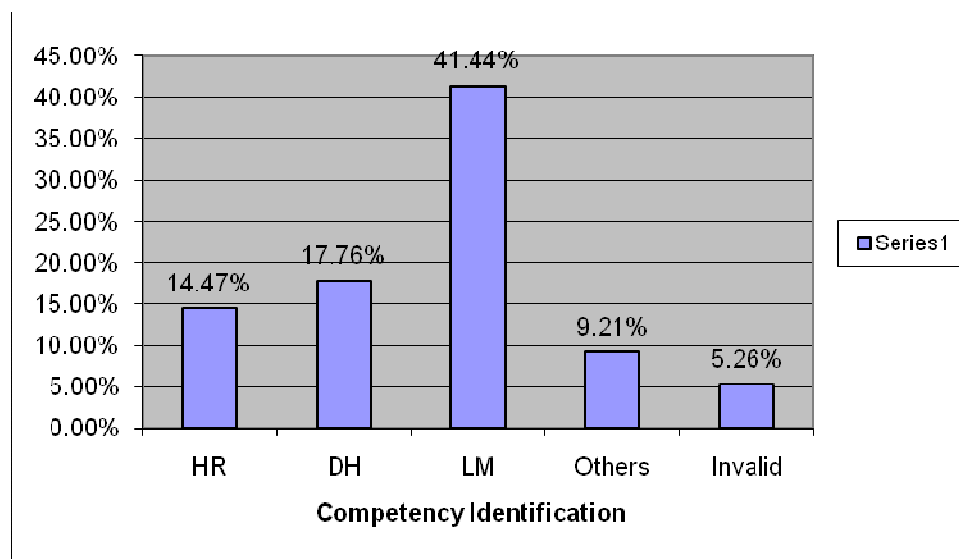


## 2. Application of competencies at different levels

Majority of the senior managers said that the application of competencies is at the tactical level (40.78%) and a good number of the senior mangers said the application of competencies is at the middle level (36.18%). Very few of the senior managers said that the application of competencies is at the top level (11.8%) as seen in Figure 6.9. Application of competencies requires resources in terms of sufficient manpower, time

etc. Thus, management support plays an important role for competency management in the organizations.

**Figure 6.9 – Application of Competencies at different levels.**
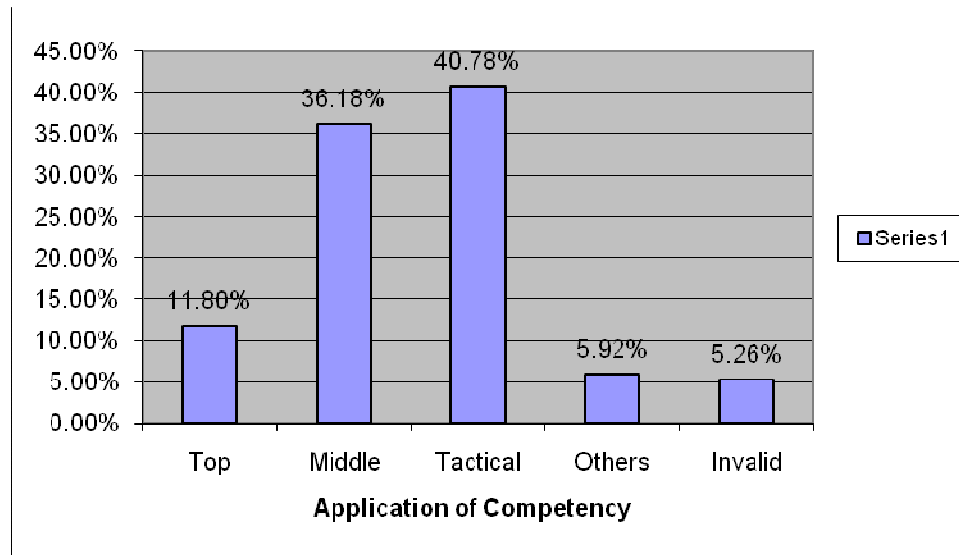


In summary it could be said that the application of competencies in the organizations is at the tactical level followed by the middle level. Moreover, the senior managers said that the line managers and the department heads identify the competencies. This is in conformity with the prevalent practices 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.

**Section 4 – Employee Perceptions**

This section deals with employee perceptions on the HR functions, role of competency management and talent management practices of the organizations under different sub heads.

A *factor analysis* is done on the perceptions of the senior managers on competence management to resolve the set of variables into new categories known as *factors*. It

helped to reduce the complexity of observed variables into new variables, which summarizes the commonality of all the variables. The data collected from 145 senior managers was subjected to factor analysis by the principal component factor analysis with Varimax Rotation by using the criterion that factors with Eigen value > 1.00 were retained. Loadings exceeding 0.05 were considered for determining factors. The literature on the factor analysis allows a loading of 0.33 to be the minimum value for inclusion. This criterion is being used more or less by way of convention (Vasanthi and Rayappan, 2006). Hence, the Set Criteria was used to arrive at the factors.

**1. HR functions using Competencies.**

**KMO and Bartlett's Test**

| Kaiser-Meyer-Olkin Measure of Sampling Adequacy. | | .760 |
|---|---|---|
| Bartlett's Test of Sphericity | Approx. Chi-Square | 1588.071 |
| | Df | 136 |
| | Sig. | .000 |

From the above data, KMO measure of 0.760 is acceptable as it is more than 0.5.Moreover, it falls under the 'good' quality. It gives confidence that factor analysis is appropriate for the given sample. Also, Bartlett's Test of Sphericity should have significant value of less than 0.05. In this case, the significance level in Bartlett's test is .000 and hence highly significant. The factor analysis in this case is therefore considered appropriate.

Table – 6.1 highlights the factors, item loadings, Eigen value and percentage of variance explained by each factor. The factor analysis yielded four factors – *recruitment, training, performance appraisal and HR planning* accounting for 94.615% of the total variance.

The 1$^{st}$ Factor is *recruitment* consisting of three items and explains 52.747% of total variance and is the most important of the competency based HR functions in the organizations. In Factor – 1, *define key criteria, identifying behavior indicators and behavior based interviews* with a loading of 0.994 each are the most important items for

the recruitment functions. Competence based recruitment function helps the employer with clarity in the skills to be looked at, the type of attitude required for a particular job and thus helps in the best hire. This also helps the recruiter in the recruitment process by helping him to frame the right behavior related questions to be asked in the interviews.

The 2nd Factor is *training* and is the next in order of importance. It has two items and explains 16.998% of the total variance. In Factor – 2, *identifying training programs* and *evaluating training programs* are with a loading of 0.993 each and are the important items. Competency based identification of training programs and evaluations of the training programs helps in arranging the right training programs for the right employee at the right time in the organization and also contributes in identifying the short comings of the training programs. The trainers can identify the amount of learning that took place through the training, can update / modify the content of the training and thus training programs can be improved and focus can be on increasing the learning of the trainees.

The 3rd Factor is *performance appraisal*, which further consists of two items and explains 13.549% of the total variance and is next in order. *Competency based succession planning* with a loading of 0.974 is the most important item in this factor. Competency based succession-planning leads to generating the efforts in a productive and effective direction by both the employees and employers. It also increases the morale of the employees, develops individuals, creates positive work culture and saves the time and costs in hiring and training new employees.

The 4th Factor is *HR planning* which is comprised of two items and explains 1.785% of the total variance and is next in order. Competency based *identification of vacancies and advertising of positions* are with a loading of 0.983 are the most important items in this factor. Identification of a vacancy is very important and correct identification of a vacancy helps in hiring the right candidate with required skills, with the job descriptions, the skills needed for the job, resources needed and most importantly helps in identifying the achievable targets with the required skills, which further helps the Hr in advertising the job positions with clarity in requirements like, skills, qualifications and also helps the HR in terms of where to advertise and whom to select as prospective candidates. Thus, these new categories in terms of the factors that emerged explain the perceptions of

senior executives on the importance of competence based HR functions for the organizations and for the individuals. The analysis shows that 5.385% of the non-listed HR functions also contribute towards generating better individual and organizational performance and hence the practitioners should also focus at the other functions also. The Scree Plot with the Eigen value and the Component number is given in Figure – 6.10.

**Table 6.1: HR functions using Competencies.**

| | | Loadings | Eigen Value | Variance (in %) |
|---|---|---|---|---|
| Factor – 1 Recruitment | | | | |
| 1. | Define key criteria | .994 | 9.682 | 52.747 |
| 2. | Identify behavior indicators | .994 | | |
| 3. | Behavior based interviews | .994 | | |
| Factor – 2 Training | | | | |
| 1. | Identify training needs | .993 | 3.252 | 16.998 |
| 2. | Evaluate training Programs | .993 | | |
| Factor – 3 Performance Appraisal | | | | |
| 1. | Succession planning at all levels | 0.974 | 2.312 | 13.549 |
| 2. | Expectations are clear | 0.615 | | |
| Factor – 4 Human Resource Planning | | | | |
| 1. | Identifying vacancies | 0.983 | 1.785 | 11.321 |
| 2. | Advertising position | 0.983 | | |

An attempt was made to calculate the mean scores and standard deviation to check the consistency in their responses and examine the patterns that emerged. Table – 6.1A provides the scores.

**Table 6.1A: Mean and Standard deviations for competency based HR functions.**

| Items | Mean | Std. Deviation |
|---|---|---|
| Identifying  vacancy | 2.58 | .496 |
| Advertising position | 2.58 | .496 |
| Define key criteria | 3.06 | .827 |
| Identify behavior indicators | 2.94 | .827 |
| Behavior based interviews | 2.94 | .827 |
| Job description | 2.94 | .827 |
| Selecting best candidates | 2.94 | .827 |
| Assessing training outcomes | 2.94 | .827 |
| Giving feedback on performance | 2.94 | .827 |
| Employee engagement | 3.06 | .827 |
| Assess training methodology | 2.94 | .827 |
| Identify training need | 3.68 | .467 |
| Evaluate training program | 3.68 | .467 |
| Training employees for performance | 3.68 | .467 |
| Expectations are made clear | 2.92 | .826 |
| Transparency in appraisals | 3.13 | .342 |
| Competitive pay package | 2.57 | .497 |
| Succession planning | 2.87 | .342 |

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As can be seen from the table 6.1A, the following 3 variables identifying training need (3.68), evaluate training program (3.68) and training employee for performance (3.68) reflected almost the same opinion, transparency in appraisals (3.13), employee engagement (3.06) and defining key criteria (3.06) mean score reflects the same pattern in their responses. All the other HR functions have a lower mean score and hence should be focused by HR practitioners of the organization. On the other hand, the pattern got reinforced with a near homogenous perception of the group relating to defining key criteria, identify behavior indicators, behavior based interviews, job descriptions, selecting best candidates, providing feedback and employee engagement with a S.D value of 0.827 and communicating the expectations clearly with a S.D value of 0.826 as the important HR functions that should be competence based in the organization. This was confirmed in the factors that emerged in factor analysis too in the HR functions using competencies.

**Figure 6.10: Functions using competencies.**



Scree Plot

**2. Role of Competency Management.**

<div align="center">

**KMO and Bartlett's Test**

</div>

| | | |
|---|---|---|
| Kaiser-Meyer-Olkin Measure of Sampling Adequacy. | | .581 |
| Bartlett's Test of Sphericity | Approx. Chi-Square | 616.708 |
| | Df | 21 |
| | Sig. | .000 |

From the above data, KMO measure of 0.581 is acceptable as it is more than 0.5.Moreover; it falls under the 'good' quality. It gives confidence that factor analysis is appropriate for the given sample. Also, Bartlett's Test of Sphericity should have significant value of less than 0.05.  In this case, the significance level in Bartlett's test is .000 and hence highly significant. The factor analysis in this case is therefore considered appropriate.

Table – 6.2 highlights the factors, item loadings, Eigen value and percentage of variance explained by each factor. The factor analysis yielded three factors accounting for 81.040% of the total variance.

The 1$^{st}$ Factor is *process development* consisting of three items explains 42.638% of total variance. Among the three factors, Factor – 1 explains the maximum variance and is most important for competence management. In Factor – 1, *competition / confrontation helps in developing individuals* with a loading of 0.962 is the most important item. The organizations with a healthy, competitive environment and scope for confrontation lead to individual's development.

The 2nd Factor is individual *development factor* and is next in the order of importance. It has two items and explains 25.094% of the total variance. In Factor – 2, *Competency based performance appraisal* and *the development of capabilities* with a loading of 0.920 are the important items which improves the overall employee development in the

organizations. The 3<sup>rd</sup> Factor is *Organizational Development* consisting of two items and explains 13.308% of the total variance and is next in order. In factor 3 Openness to change with a loading of 0.713 is the most important item. An environment which encourages continuous innovations, open to change will not only emerge in the competition but will also encourage the employees in their development. Thus, these new categories in terms of the factors that emerged explain the perceptions of senior executives on the importance of competence based management practices to develop the process and the individuals. The analysis shows that 18.960% of the non-listed factors also contribute towards the importance of competency management practices and hence the practitioners should also aim at making the other factors also competency based. The Scree Plot with the Eigen value and the Component number is given in Figure 6.11.

**Table 6.2: Role of Competency Management.**

| | | Loadings | Eigen Value | Variance (in %) |
|---|---|---|---|---|
| Factor – 1 Process Development | | | | |
| 1. | Competition / Confrontation leads to development | .962 | 3.411 | 42.638 |
| 2. | Hiring competent Staff | .895 | | |
| 3. | Encouraging Creativity & Innovation | .857 | | |
| Factor – 2 Individual Development | | | | |
| 1. | PA improves employee development | .920 | | |

| 2. | Developing Capabilities | .920 | 2.008 | 25.094 |
|----|-------------------------|------|-------|--------|
| Factor – 3 Organizational Development | | | | |
| 1. | Openness to change | 0.713 | 1.065 | 13.308 |
| 2. | Policies | 0.639 | | |

An attempt was made to calculate the mean scores and standard deviation to check the consistency in their responses and examine the patterns that emerged. Table – 6.3A provides the scores.

**Table 6.2A : Mean and Standard deviations on the Role of Competency Management.**

| Items | Mean | Std. Deviation |
|-------|------|----------------|
| Hiring competent staff | 3.26 | .794 |
| Policies | 3.13 | .858 |
| Competition / confrontation leads to better practices | 3.69 | .463 |
| Developing capabilities | 3.31 | .800 |
| PA improves Emp. development | 2.89 | .889 |
| Encouraging creativity & innovation | 3.66 | .474 |
| Transparency | 3.15 | .833 |
| Openness to change | 2.89 | .889 |

As can be seen from the table 6.2A, competition / confrontation (3.69), encouraging creativity & innovation (3.66), leads to better process, competencies help in hiring competent staff (3.26) and developing capabilities (3.31) reflects the same pattern in their responses. All the other competency practices have a similar response rate and are important factors that help in developing the employees and hence should be focused by the practitioners. On the other hand, the pattern got reinforced with a near homogenous perception about competence based performance appraisals improve employee development with a S.D value of .889 and openness to change with .889 are the important strategies for the organizations in talent management. This was confirmed in the factors that emerged in factor analysis too in their perception on competency management strategies.

**Figure 6.11 – Role of Competency Management.**



**Scree Plot**
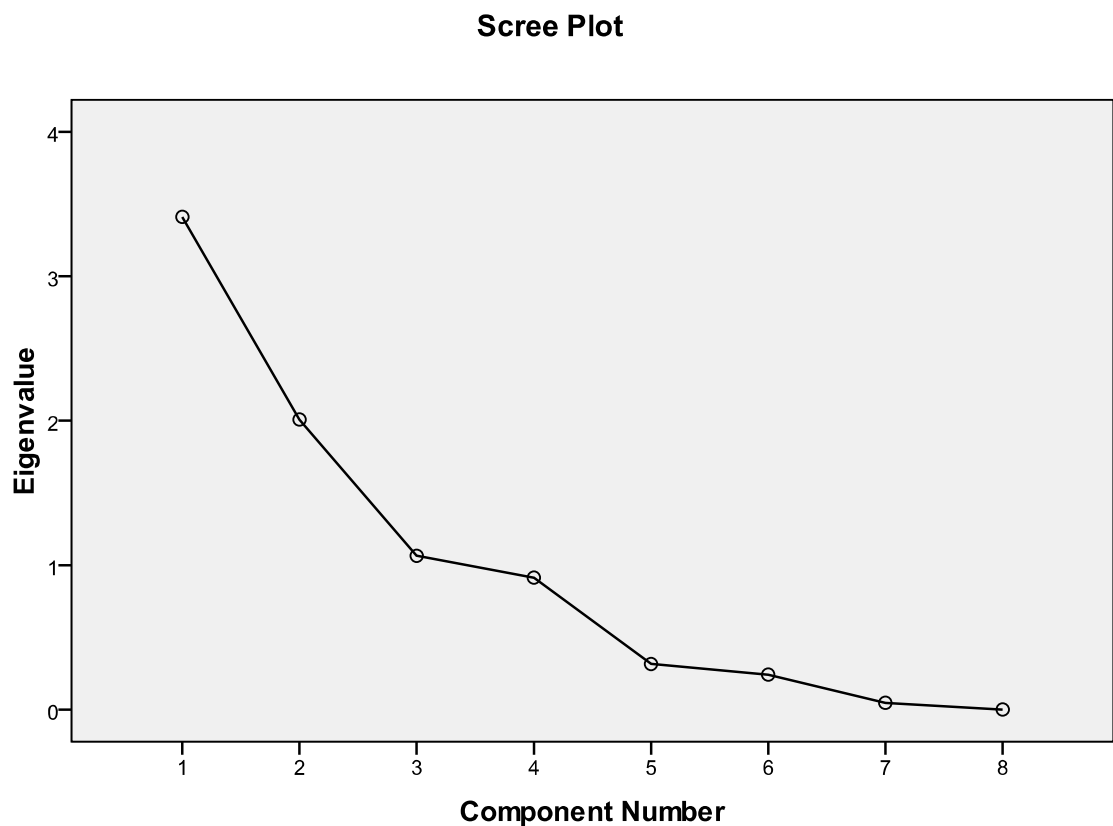
### 3. Talent management practice in the organizations.

Table 6.3 highlights the factors, item loadings, Eigen value and percentage of variance explained by each factor. The factor analysis yielded three factors accounting for 89.257% of the total variance.

The Factor – 1 is *Talent Development* consisting of three items explained 45.941% of total variance. Among the three factors, Factor – 1 explains the maximum variance and is most important talent management practice for the organization. In Factor – 1 *encouraging creativity & innovation* with a loading of 0.980 is the most important item. Most of the organizations face high employee attrition problems due to lack of a culture on encouraging creativity and innovation which in the globalized era is the utmost important thing for any organization either to face the competition or for developing and retaining the highly skilled employees.

The 2$^{nd}$ Factor is *Talent Acquisition* is next in the order of importance. It has two items and explains 30.409% of the total variance. In Factor – 2, Hiring competent Staff with a loading of 0.917 is the important item. The organizations because of globalizations are facing tough competition from the global and multinational players thus it became essential that capable and effective staffs be hired by the organizations with all the talent shortage and brain drain especially in the Indian IT sector.

The 3$^{rd}$ Factor is Talent *Retention* consisting of two items and explains 12.907% of the total variance. In Factor – 3, *Challenging work assignments* with a loading of 0.870 is the most important item in this factor.  Thus, these new categories in terms of the factors that emerged explain the important strategies for managing the talent effectively.  The Scree Plot with the Eigen value and the Component number is given in Figure 6.12.

**Table 6.3: Employee perception on Talent management practice.**

| | Loadings | Eigen Value | Variance (in %) |
|---|---|---|---|
| Factor – 1 Talent Development | | | |
| 1. Encouraging Creativity and innovation | .980 | 3.675 | 45.941 |
| 2. Job related training Programs | .961 | | |
| 3. Flexibility | .937 | | |
| Factor – 2 Talent Acquisition | | | |
| 1. Hiring competent staff | .917 | 2.433 | 30.409 |
| 2. Behavior based Interviews | .871 | | |
| Factor – 3 Talent Retention | | | |
| 1. Challenging work assignments | 0.870 | 1.033 | 12.907 |
| 2. Competitive pay package | 0.613 | | |

An attempt was made to calculate the mean scores and standard deviation to check the consistency in their responses and examine the patterns that emerged. Table – 6.3A provides the scores.

**Table 6.3A : Mean score values of Talent Management Practices.**

| Items | Mean | Std. Deviation |
|-------|------|----------------|
| Encouraging creativity &innovation | 3.76 | .428 |
| Competitive pay package | 2.24 | .428 |
| Encouraging freedom to work | 2.69 | .818 |
| Behavior based interviews | 2.93 | 1.001 |
| Flexibility | 2.84 | .943 |
| Hiring competent Staff | 2.21 | 1.051 |
| Challenging work assignments | 3.06 | .827 |
| Job related training programs | 3.21 | 1.147 |

As can be seen from the table 6.3A, Encouraging creativity & innovation (3.76) and Job related training programs (3.21) mean score reflects the same pattern in their responses. All the other capabilities have a lower mean score and hence should be focused by the hr practitioners. On the other hand, the pattern got reinforced with a near homogenous perception on talent management practices of the organization relating to Job related training programs with a S.D value of 1.147 as the areas of concern in managing talent. This was confirmed in the factors that emerged in factor analysis too in their perception on talent management practices of the organization.

**Figure 6.12: Competency based Talent Management Practices.**
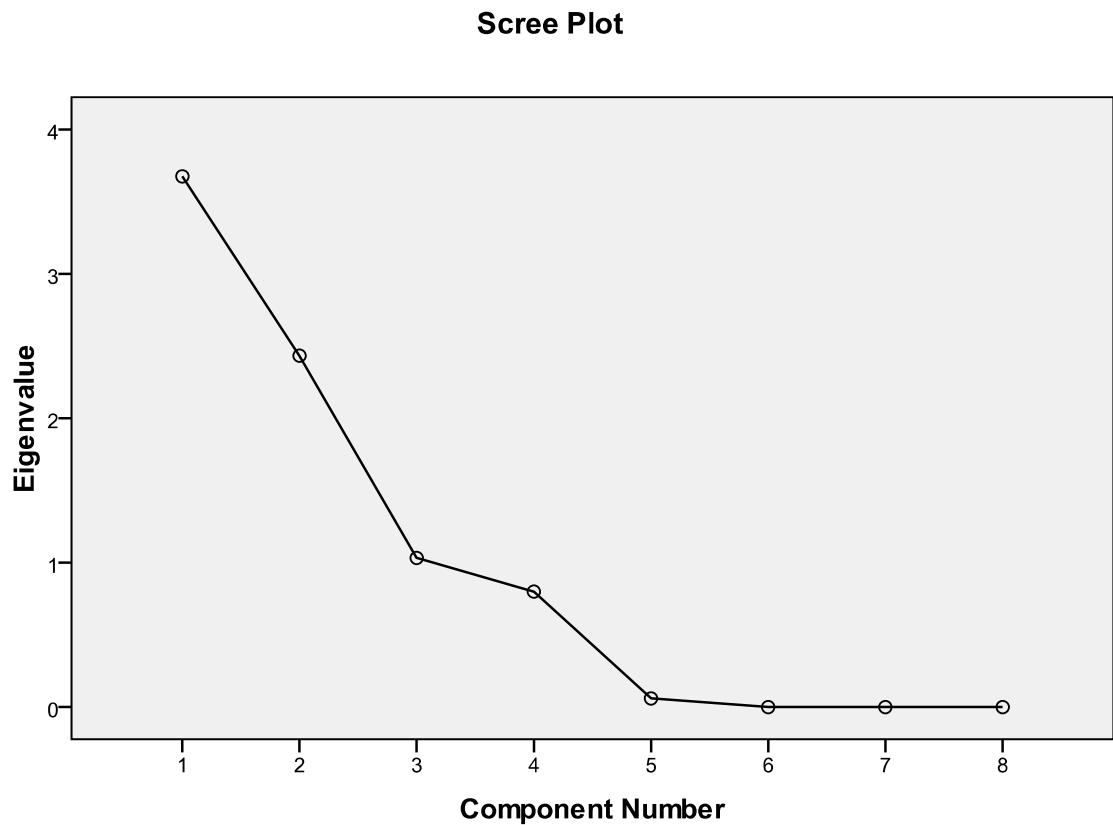


In summary, employee perceptions on the competency based HR functions were as per the organizational practice. Recruitment, training followed by performance appraisal was perceived to be the important HR functions are competency based. The role of Competency management was seen at the process development, individual and organizational development. The executives stressed on the importance of developing the existing talent followed by talent acquisition and talent retention in the organizations.

**Section –5**

This section deals with the factors on which talent is identified in the organizations, also tried to find out the different enabling and disabling factors for managing the talent in the organizations.

## 1. **Identification of Talent**

Employee's high performance for the current period does not predict future leadership potential. Hence ability, engagement and ambition are essential in an individual to rise to higher positions. Thus to promote employees to higher positions or for new hires identification of talent is of high importance especially with the IT sector. Majority of the respondents felt that the organizations identify the talent based on the ability to achieve the target (25%), a good number of the respondents said that the organizations identify the talent on the basis of the performance appraisals (21.05%), and some of them said that they identify the talent on the basis of the results achieved (13.81%). Figure 6.13 identification of talent  The first step towards managing the talent is identification of the talent and then nurturing and managing them.

**Figure 6.13 : Identification of talent**

**2. Enabling factors of Talent Management.**

**KMO and Bartlett's Test**

| Kaiser-Meyer-Olkin Measure of Sampling Adequacy. | | .581 |
|---|---|---|
| Bartlett's Test of Sphericity | Approx. Chi-Square | 616.708 |
| | Df | 21 |
| | Sig. | .000 |

From the above data, KMO measure of 0.581 is acceptable as it is more than 0.5.Moreover; it falls under the 'good' quality. It gives confidence that factor analysis is appropriate for the given sample. Also, Bartlett's Test of Sphericity should have significant value of less than 0.05. In this case, the significance level in Bartlett's test is .000 and hence highly significant. The factor analysis in this case is therefore considered appropriate.

Table –6.4 highlights the factors, item loadings, Eigen value and percentage of variance explained by each factor. The factor analysis yielded two factors accounting for 95.884% of the total variance.

The 1st Factor is *Culture factors* which consists of two items and explains 70.994% of total variance. Among the two factors, culture Factors explains the maximum variance and is most important enabling factor for talent management in the organization. In Factor – 1, *Openness to change innovation* with a loading of 0.998 is the most important item. With the liberalization policies of 1990's Indian markets were opened up for the world players with different cultural practices. Even so with globalization employees have to work under different cultural practices thus the culture is an important factor in the management of employees in organizations. Culture also plays a crucial role towards organizational / employee performance.

The 2nd Factor – *Policies* is the next in order of importance. It has two items and explains 24.891% of the total variance. In Factor – 2 Flexibility and transparency are with a loading of 0.996 are the important items. The firms capacity to adjust to change or

exploit opportunities due to environmental changes helps in managing its talent. Thus, these new categories in terms of the factors that emerged explain the strategies important for managing the talent effectively. The work environment of any organization thus plays an important role in increasing the commitment, moral of its employees for better performance. The Scree Plot with the Eigen value and the Component number is given in Figure – 6.14.

**Table 6.4: Enabling factors of talent management.**

| | | Loadings | Eigen Value | Variance (in %) |
|---|---|---|---|---|
| Factor – 1 Culture | | | | |
| 1. | Openness to change innovation | .998 | 8.519 | 70.994 |
| 2. | Freedom stimulation | .731 | | |
| Factor – 2 Policies | | | | |
| 1. | Flexibility | .996 | 2.987 | 24.891 |
| 2. | Transparency | .996 | | |

An attempt was made to calculate the mean scores and standard deviation to check the consistency in their responses and examine the patterns that emerged. Table – 6.4A provides the scores.

**Table 6.4A: Enabling factors of talent management**

|  | Mean | Std. Deviation |
|---|---|---|
| **Cultural** | | |
| Culture | 2.94 | .827 |
| Openness to change / innovation | 2.94 | .827 |
| Task oriented | 2.94 | .827 |
| Management Support | 3.68 | .467 |
| Freedom Stimulation | 2.92 | .826 |
| **Job Related** | | |
| Peer relationships | 2.94 | .826 |
| Nature of work | 3.06 | .827 |
| Recognition | 2.94 | .827 |
| **Policies** | | |
| Job security | 2.94 | .827 |
| Work relations | 2.94 | .827 |
| Flexibility | 3.68 | .467 |
| Innovation creativity | 2.94 | .827 |
| Transparency | 3.68 | .467 |

As can be seen from the table, transparency (3.68) and flexibility (3.68) reflects the same pattern in their responses. All the other enablers have a lower mean score and hence should be focused by the hr practitioners. On the other hand, the pattern got reinforced with a near homogenous perception on enabling factors of talent management practices of the organization relating to most of the cultural, job related, policies with a S.D value of 0.827. This was confirmed in the factors that emerged in factor analysis too in their perception on talent management practices of the organization.

**Figure 6.14 : Enabling factors of talent management.**
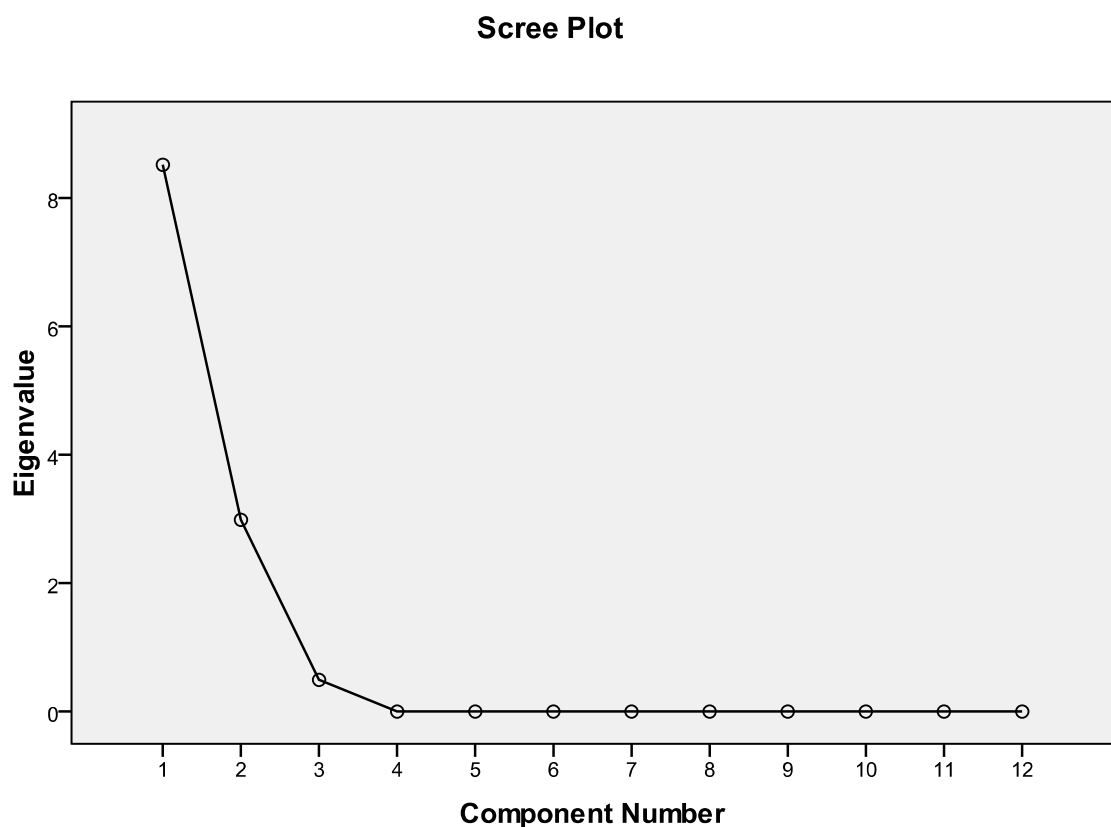
**Scree Plot**

**3.Disabling factors of talent management.**

**KMO and Bartlett's Test**

| Kaiser-Meyer-Olkin Measure of Sampling Adequacy. | | .691 |
|---|---|---|
| Bartlett's Test of Sphericity | Approx. Chi-Square | 417.086 |
| | Df | 15 |
| | Sig. | .000 |

From the above data, KMO measure of 0.691 is acceptable as it is more than 0.5.Moreover, it falls under the 'good' quality. It gives confidence that factor analysis is appropriate for the given sample. Also, Bartlett's Test of Sphericity should have significant value of less than 0.05. In this case, the significance level in Bartlett's test is .000 and hence highly significant. The factor analysis in this case is therefore considered appropriate.

Table – 6.5 highlights the factors, item loadings, Eigen value and percentage of variance explained by each factor. The factor analysis yielded two factors accounting 99.798 of the total variance.

The 1st Factor is *organizational factors* consists of four items and explains 58.058% of total variance. Among the four factors, Manipulated HR policies and out of turn increments with a loading of 0.999 are the two factors that explains the maximum variance and are most important disabling factors of talent management practice in the organization.

The 2nd Factor is *support factors* is the next in order of importance, has two items and explains 41.740% of the total variance. In Factor – 2, *lack of management support* with a loading of 0.995 is the important item. The support factors are highly essential for the organizations to manage their talent especially in the contemporary era of competition and globalisation. Alignment of talent management with strategic business goals is very essential (chambers, 1998). Thus these new categories in terms of the factors that emerged explain the important disabling factors in managing the talent effectively. The

management of the talent is essential and important which is not possible if the top management is not supportive but in Indian scenario due to lack of awareness top management fears to loos control over their subordinates thereby it is not supportive. The Scree Plot with the Eigen value and the Component number is given in Figure –6.15.

**Table: 6.5: Disabling factors of talent management.**

|  | Loadings | Eigen Value | Variance (in %) |
|---|---|---|---|
| Factor – 1 Organizational Factors | | | |
| 1. Manipulated HR Policies | .999 | | |
| 2. Out of turn Increments | .999 | 3.484 | 58.058 |
| 3. Non Transparent Procedures | .931 | | |
| 4. Favoritism | .769 | | |
| Factor – 2 Support factors | | | |
| 1. Lack of Management support | .995 | 2.504 | 41.740 |
| 2. Poor work Relations | .633 | | |

An attempt was made to calculate the mean scores and standard deviation to check the consistency in their responses and examine the patterns that emerged. Table 6.5A: Mean Score Of Disabling Factors.

**Table 6.5A: Enabling factors of talent management.**

|  | Mean | Std. Deviation |
|---|---|---|
| Non Transparent Procedure | 3.13 | .342 |
| Manipulated HR Policies | 2.87 | .342 |
| Favoritism | 2.57 | .497 |
| Poor Work Relations | 2.27 | .892 |
| Lack of Management Support | 2.52 | 1.057 |
| Out of turn Increments | 2.27 | .892 |

As can be seen from the table 6.5A, Non transparent procedure(3.13), manipulated HR policies (2.87) and favoritism (2.57) mean score reflects the same pattern of organizational factors in their responses. All the other factors have a lower mean score. Hr practitioners should focus on these factors of talent management disablers and overcome the pit falls in the strategy, procedures and policies of HR for effectively managing the talent. On the other hand, the pattern got reinforced with a near homogenous perception on disabling talent management factors of the organization relating to *lack of management support* with a S.D value of 1.057 and poor *work relations* with .892 are the areas of concern in managing talent. This was also confirmed in the factors that emerged in factor analysis too in their perception on disabling factors

of talent management in the organization. Figure 6.15 shows the disabling factors of talent management.

**Figure6.15: Disabling factors of talent management**

**Scree Plot**
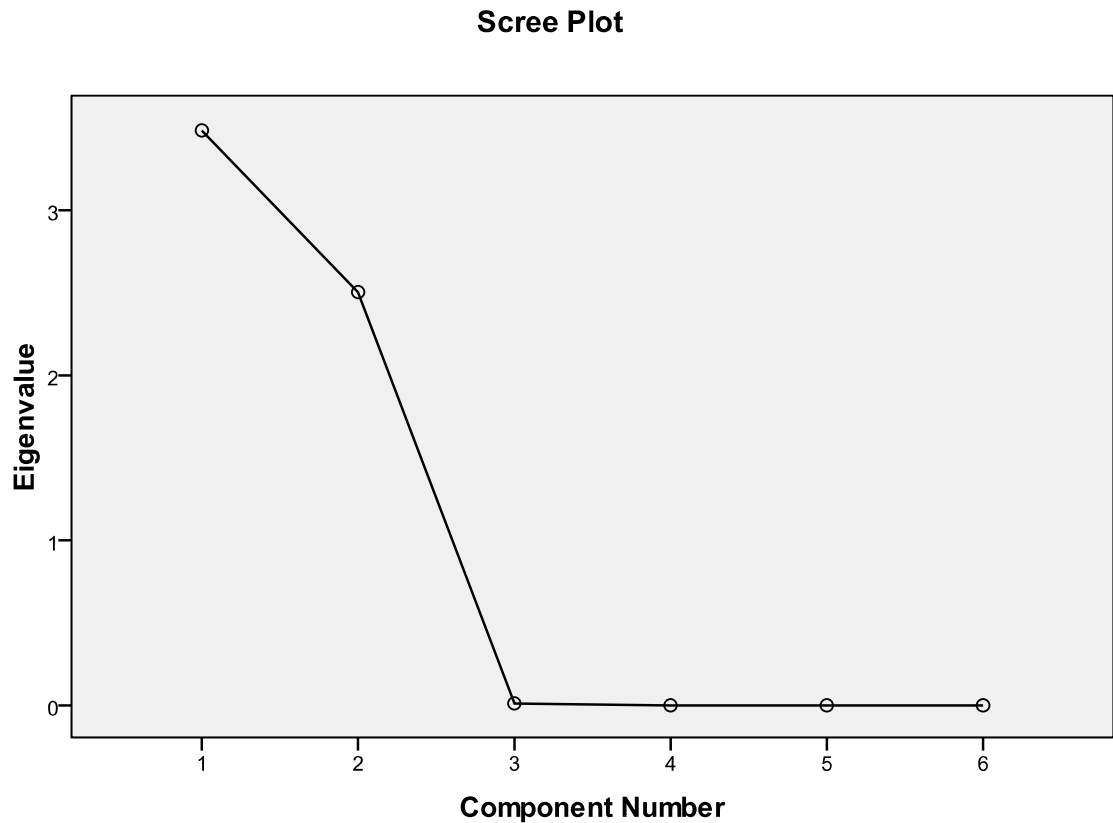


In summary, organizational success is dependent on the right mix of talent at the right position. Thus identification/ defining the talent in terms of the job nature, assumes importance. The cultural factors such as openness to innovation, freedom / stimulation and policies are the important *enabling factors* in managing the talent of the organizations. The organizational and the support factors were identified 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* that are major concerns in the area of managing the talent in the organizations.

Thus, it could be concluded that a majority of them were attached to projects and involved in development activity. A good number of them were post graduates and majorly male in composition with about 6 to 10 years of experience.

Its encouraging to note that a majority of them were aware of the competency management as a concept and as a practice in their respective organizations. Employees were aware of competencies as in use in recruitment followed by training and selection in that order.

It could be said that the application of competencies in the organizations is at the tactical level followed by the middle level. Moreover the senior executives said that 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 employees capabilities in totality. Management's support plays an important role in the application of competencies in the organizations.

Employee perceptions on the competency based HR functions were as per the organizational practice. Recruitment, training followed by performance appraisal was perceived to be the important HR functions, which should be competency based. The role of Competency management was seen at the process development, individual and organizational development. The executives stressed on the importance development of the existing talent followed by talent acquisition and talent retention in the organizations.

Organizational success is dependent on the right mix of talent at the right position. Thus, identification/ defining the talent in terms of the job nature assume importance. The cultural factors such as openness to innovation, freedom and stimulation and policies emerged as the important *enabling factors* in managing the talent of the organizations. The organizational and the support factors were identified 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 that are major concerns in the area of managing the talent in the organizations.

# CHAPTER -VII

# CONCLUSION

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 policie*s 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. Disabling 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 bench marks 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

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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.

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**Appendices - A**

**Questionnaire**

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1. Name of the employee (optional):

2. Department     :                          3. Designation :

4. Gender                                5. Qualification :

6. Total years of experience in the current organization

   1) 0-1 yrs        2) 1-3        3) 3-5          4) 5 and above

Awareness

7. Have you ever heard of competence / competencies at the work place?

   1. Yes                      2. No

8. If yes in what context?

   1) Recruitment  2) Selection     3) Training      4) Performance Appraisal
   5) Succession Planning          6) Career Planning

9. Does your organization list out competencies for each job?
   1. Always        2. Sometimes   3. Not Always

10. Are the candidates selected based on the listed competencies for the job?
   1. Always        2. Sometimes   3. Not Always

**Application**

11. Who identifies the competencies
   1.  HR            2. Department Head            3. Supervisors            4. Employees

12. Which of the functions are using competencies. Please indicate by a tick (√ ) mark to show your level of disagreement and agreement.

| S.No. | Function | Strongly Agree | Agree | Disagree | Strongly Disagree |
|-------|----------|----------------|-------|----------|-------------------|
| 1. | For Identifying vacancy | | | | |
| 2 | For advertising the position | | | | |
| 3 | For defining the key criteria | | | | |
| 4 | Identifying behavior indicators | | | | |
| 5 | Behavior based interviews | | | | |
| 8 | Job descriptions | | | | |
| 9 | Selecting best candidates | | | | |
| 10 | Assessing training outcomes | | | | |
| 12 | Giving feedback on performance | | | | |
| 13 | Employee engagement | | | | |
| 14 | For assessing the training methodology | | | | |
| 15 | For assessing the training outcomes | | | | |

| 16 | For evaluating the training programs | | | | |
|----|--------------------------------------|---|---|---|---|
| 17 | Training for performance | | | | |
| 18 | Expectations are clearly communicated | | | | |
| 19 | Transparency in appraisals | | | | |
| 20 | Competitive pay package | | | | |
| 21 | Succession planning | | | | |

13.  What are the different levels where competencies are used for managing the talent.

1.Sr. Executive   2. Middle level Executive        3. Executives    4. Supervisor    5. All the staff

14. What are the different HR functions where the competencies are used in the

organization.

1. Recruitment        2. Training      3. Performance Appraisal        4. Leadership

development        5. Compensation Management

15.  What is the role of competency management practice? Indicate by a tick (√ ) mark against the level of your disagreement or agreement with each one of the statement.

| S.No | Items | Strongly Agree | Agree | Disagree | Strongly Disagree |
|------|-------|----------------|-------|----------|-------------------|
| 1 | Encouraging creativity and innovation | | | | |

| | | | | | |
|---|---|---|---|---|---|
| 2 | Developing the competencies | | | | |
| 3 | Individual development | | | | |
| 4 | Employee friendly policies | | | | |
| 5 | Employee development | | | | |
| 6 | Openness to change | | | | |
| 7 | Hiring competent staff | | | | |

16. The following statements pertain to identify the competency practice of the organization. Please indicate by a tick (√ ) mark against the level of your disagreement or agreement with each one of the statements.

| S.No. | Items | Strongly Agree | Agree | Disagree | Strongly Disagree |
|---|---|---|---|---|---|
| 1 | Importance of skills and competencies is regularly reminded | | | | |
| 2 | Critical skills of employees are upgraded regularly | | | | |
| 3 | Skill up gradation and competency development is | | | | |

| S.No. | Items | | | | |
|---|---|---|---|---|---|
| | effective | | | | |
| 4 | Upgraded skills match the market demand | | | | |
| 5 | Management encourages career development | | | | |
| 6 | The progress I made in my competence development gives satisfaction | | | | |
| 7 | Continuous monitoring on the competencies is done | | | | |
| 8 | Continuous feedback is given | | | | |

17. Competency management practices help in which of the talent management aspects. Please indicate by a tick (√ ) mark against the level of your disagreement or agreement with each one of the statements.

| S.No. | Items | Strongly Agree | Agree | Disagree | Strongly Disagree |
|---|---|---|---|---|---|
| 1 | Hiring competent staff | | | | |
| 2 | Encourage freedom to | | | | |

| | | | | | |
|---|---|---|---|---|---|
| | work | | | | |
| 3 | Behavior based interviews | | | | |
| 4 | Competitive pay packages | | | | |
| 5 | Encourage creativity and innovation | | | | |
| 6 | Challenging work assignments | | | | |
| 7 | Flexibility | | | | |
| 8 | Job related training programs | | | | |

18. Please indicate by a tick (√) mark against the different HR functions where competencies should be used which will contribute to organization development.

| S.No | HR Function | Yes | No |
|---|---|---|---|
| 1 | Recruitment | | |
| 2 | Selection | | |
| 3 | Interview | | |
| 4 | Training & development | | |
| 5 | Performance appraisal | | |
| 6 | Communication | | |
| 7 | Compensation management | | |
| 8 | Succession planning | | |

19. Does your organization face talent   shortage?

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1. Always        2. Sometimes   3. Never

20. What are the factors that determine talent according to your organization? Please

indicate by a tick (√ ) mark against the level of your disagreement or agreement with

each one of the factors.

| Factors | Strongly Agree | Agree | Disagree | Strongly Disagree |
|---|---|---|---|---|
| Openness to change innovation | | | | |
| Task oriented | | | | |
| Management Support | | | | |
| Peer relationships | | | | |
| Job security | | | | |
| Nature of work | | | | |
| Work relations | | | | |
| Recognition | | | | |
| Job Security | | | | |
| Encouraging Creativity | | | | |
| Flexibility | | | | |
| Transparency | | | | |
| Freedom | | | | |

| Stimulation | | | | |
|---|---|---|---|---|

**21.** What do you think are the disabling factors of talent management practice in the organization. Please indicate by a tick (√ ) mark against the level of your disagreement or agreement with each one of the factors.

| Factors | Strongly Agree | Agree | Disagree | Strongly Disagree |
|---|---|---|---|---|
| Favouritism | | | | |
| Manipulated Hr policies | | | | |
| Non transparent procedures | | | | |
| Lack of managerial support | | | | |
| Out of turn increments | | | | |
| poor work relations | | | | |

Questionnaire

1. Name (optional )        :

2. Qualification  :                          3. Designation :

4. Gender        :                     5. Department :

6. Total years of experience in the current organization.

7. Do you think your  employees are aware of the competencies?

    1. Yes                    2. No

8. Does your organization list out competencies for each job?

    1. Always  2. Sometimes        3. Never

9. Are the candidates selected based on the listed competencies for the job?

    1. Always  2. Sometimes        3. Never

10. Who identifies the competencies

    1.HR                2. Department Head            3.Line Managers        4.Any others

11. Do the organization consider competencies as important for recruitment?

    1. Always 2. Sometimes        3. Never

12. Do the organization consider competencies as important for training the employees.

    1. Always  2. Sometimes        3. Never

13. Do the organization consider competencies as important for developing the employees.

1. Always  2. Sometimes  3. Never

14. Do the organization consider competencies as important for appraising the employees.

   1. Always  2. Sometimes  3. Never

15. Do the organization consider competencies important for setting the compensation to the employees.

   1. Always  2. Sometimes  3. Never

16. Do the organization consider competencies important succession planning for the

   employees.

   1. Always  2. Sometimes  3. Never

17. Do the organization consider competencies important for career planning of the

   employees.

   1. Always  2. Sometimes  3. Never

18. Which of the functions are using competencies. Please indicate by a tick (√ )

   mark to show your level of disagreement and agreement.

| S.No. | Function | Strongly Agree | Agree | Disagree | Strongly Disagree |
|-------|----------|----------------|-------|----------|-------------------|
| 1. | For Identifying vacancy | | | | |
| 2 | For advertising the position | | | | |
| 3 | For defining the key criteria | | | | |
| 4 | Identifying behavior indicators | | | | |
| 5 | Behavior based interviews | | | | |

| | | | | | |
|---|---|---|---|---|---|
| 6 | Job descriptions | | | | |
| 7 | Selecting best candidates | | | | |
| 8 | Assessing training outcomes | | | | |
| 9 | Giving feedback on performance | | | | |
| 10 | Employee engagement | | | | |
| 11 | For assessing the training methodology | | | | |
| 12 | For assessing the training outcomes | | | | |
| 13 | For evaluating the training programs | | | | |
| 14 | Training for performance | | | | |
| 15 | Expectations are clearly communicated | | | | |
| 16 | Transparency in appraisals | | | | |
| 17 | Competitive pay package | | | | |
| 18 | Succession planning | | | | |

19. What are the different levels where competencies are used for managing the talent?

1. Top Management    2. Middle management        3. Tactical level        4. Any other

20. What is the role of competency management practice? Please indicate by a tick (√ ) mark against the level of your disagreement or agreement with each one of the competence management statements.

| S.No. | Statement | Strongly Agree | Agree | Disagree | Strongly Disagree |
|---|---|---|---|---|---|
| 1. | Performance appraisal improves employee development | | | | |
| 2. | Policies develop organizations | | | | |
| 3. | Encouraging creativity and innovation | | | | |
| 4. | The competence based training helped in improving organizational development. | | | | |
| 5. | Hiring competent staff | | | | |
| 6. | Competition / confrontations leads to better policies | | | | |
| 7. | Openness to change | | | | |
| 8. | Developing competencies. | | | | |
| 9. | Competence based performance appraisals develop organizations. | | | | |

21. How do you identify talent in your organization?

1.

2.

3.

22. Competency management practices help in which of the talent management aspects. How is talent managed in your organization? Please indicate by a tick (√ ) mark against the level of your disagreement or agreement ?

| S.No. | Statements | Strongly Agree | Agree | Disagree | Strongly Disagree |
|-------|-----------|----------------|-------|----------|-------------------|
| 1 | Hiring competent staff | | | | |
| 2 | Encourage freedom to work | | | | |
| 3 | Behavior based interviews | | | | |
| 4 | Competitive pay packages | | | | |
| 5 | Encourage creativity and innovation | | | | |
| 6 | Challenging work assignments | | | | |
| 7 | Flexibility | | | | |
| 8 | Job related training programs | | | | |

23. What are the factors that determine talent according to your organization? Indicate by a

tick (√ ) mark  against the level of your disagreement or agreement ?

| S.No. | Factors | Strongly Agree | Agree | Disagree | Strongly Disagree |
|---|---|---|---|---|---|
| 1 | Organization culture | | | | |
| 2 | Organization Environment | | | | |
| 3 | Organization Policy | | | | |
| 4 | Innovation & creativity | | | | |
| 5 | Recognition | | | | |
| 6 | Employee engagement | | | | |
| 7 | Monetary incentives | | | | |
| 8 | Brand image | | | | |
| 9 | Management support | | | | |
| 10 | Flexibility | | | | |
| 11 | **Transparency** | | | | |
| 12 | Freedom & stimulation | | | | |
| 13 | Recognition | | | | |

24. What do you think are the disabling factors of talent management practice in the organization. Indicate by a tick (√ ) mark against the level of your disagreement or agreement with each one of the statements.

| S.No. |  | Strongly Agree | Agree | Disagree | Strongly Disagree |
|---|---|---|---|---|---|
| 1 | Favouritism |  |  |  |  |
| 2 | Manipulated Hr policies |  |  |  |  |
| 3 | Non transparent procedures |  |  |  |  |
| 4 | Lack of managerial support |  |  |  |  |
| 5 | Out of turn increments |  |  |  |  |
| 6 | Bad work relations |  |  |  |  |

# Appendices – C

**List of Companies**

| S.No. | Company Name |
|-------|--------------|
| 1. | Cognizant |
| 2. | Tech Mahindra |
| 3. | Infosys |
| 4. | Wipro |
| 5. | International Business Management Corporation |
| 6. | KPIT Cummins Info Systems |
| 7. | Zensar Technologies |
| 8. | BMC Software India Private Limited |
| 9. | UBICS Technologies Private Limited |
| 10. | Zenta Private Limited |
| 11. | Polaris Software Lab |
| 12. | Ramco Systems |

| 13. | Peri Software Solutions |
|-----|-------------------------|
| 14. | HTC Global Services |
| 15. | Bahwan Cybertek Pvt Ltd |
| 16. | Tata Consultancy Services Ltd |
| 17. | Virtusa |
| 18. | Zentih Software |
| 19. | SPML Technologies Ltd |
| 20. | Robert Bosch Engineering and Business Solutions Limited (RBEI) |
| 21 | Mphasis |
| 22. | Mind River Information Technologies |
| 23. | KMG Infotech (or Key Management Group / KMG) |
| 24. | JSoft Solutions Ltd. |
| 25. | iGATE Global Solutions |
| 26. | Citec Information India Pvt. Ltd. |
| 27. | Value Labs |
| 28. | Karvy Global Services |
| 29. | IVY Comptech Pvt Ltd |

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# Questionnaire (Employees)

1. Name of the employee (optional):

2. Department    :                    3. Designation :

4. Gender                            5. Qualification :

6. Total years of experience in the current organization
   1) 0-1 yrs      2) 1-3          3) 3-5          4) 5 and above

Awareness

7. Have you ever heard of competence / competencies at the work place?
   1. Yes                    2. No

8. If yes in what context?
   1) Recruitment        2) Selection    3) Training    4) Performance Appraisal
   5) Succession Planning              6) Career Planning

9. Does your organization list out competencies for each job?
   1. Always      2. Sometimes  3. Not Always

10. Are the candidates selected based on the listed competencies for the job?
    1. Always      2. Sometimes  3. Not Always

**Application**

11. Who identifies the competencies
    1. HR          2. Department Head          3. Supervisors          4. Employees

12. Which of the functions are using competencies. Please indicate by a tick (√ ) mark
    to show your level of disagreement and agreement.

| S.No. | Function | Strongly Agree | Agree | Disagree | Strongly Disagree |
|-------|----------|----------------|-------|----------|-------------------|
| 1. | For Identifying vacancy | | | | |
| 2 | For advertising the position | | | | |
| 3 | For defining the key criteria | | | | |
| 4 | Identifying behavior indicators | | | | |

| | | | | | |
|---|---|---|---|---|---|
| 5 | Behavior based interviews | | | | |
| 8 | Job descriptions | | | | |
| 9 | Selecting best candidates | | | | |
| 10 | Assessing training outcomes | | | | |
| 12 | Giving feedback on performance | | | | |
| 13 | Employee engagement | | | | |
| 14 | For assessing the training methodology | | | | |
| 15 | For assessing the training outcomes | | | | |
| 16 | For evaluating the training programs | | | | |
| 17 | Training for performance | | | | |
| 18 | Expectations are clearly communicated | | | | |
| 19 | Transparency in appraisals | | | | |
| 20 | Competitive pay package | | | | |
| 21 | Succession planning | | | | |

13. What are the different levels where competencies are used for managing the talent.
   1.Sr. Executive        2. Middle level Executive      3. Executives  4. Supervisor
        5. All the staff

14. What are the different HR functions where the competencies are used in the organization.
   1. Recruitment        2. Training     3. Performance Appraisal      4. Leadership
      development        5. Compensation Management

15. What is the role of competency management practice? Indicate by a tick (√ ) mark against the level of your disagreement or agreement with each one of the statement.

| S.No | Items | Strongly Agree | Agree | Disagree | Strongly Disagree |
|---|---|---|---|---|---|
| 1 | Encouraging creativity and innovation | | | | |

| 2 | Developing the competencies | | | | |
|---|---|---|---|---|---|
| 3 | Individual development | | | | |
| 4 | Employee friendly policies | | | | |
| 5 | Employee development | | | | |
| 6 | Openness to change | | | | |
| 7 | Hiring competent staff | | | | |

16. The following statements pertain to identify the competency practice of the organization. Please indicate by a tick (√) mark against the level of your disagreement or agreement with each one of the statements.

| S.No. | Items | Strongly Agree | Agree | Disagree | Strongly Disagree |
|---|---|---|---|---|---|
| 1 | Importance of skills and competencies is regularly reminded | | | | |
| 2 | Critical skills of employees are upgraded regularly | | | | |
| 3 | Skill up gradation and competency development is effective | | | | |
| 4 | Upgraded skills match the market demand | | | | |
| 5 | Management encourages career development | | | | |
| 6 | The progress I made in my competence | | | | |

| | | | | | |
|---|---|---|---|---|---|
| | development gives satisfaction | | | | |
| 7 | Continuous monitoring on the competencies is done | | | | |
| 8 | Continuous feedback is given | | | | |

17. Competency management practices help in which of the talent management aspects. Please indicate by a tick (√ ) mark against the level of your disagreement or agreement with each one of the statements.

| S.No. | Items | Strongly Agree | Agree | Disagree | Strongly Disagree |
|---|---|---|---|---|---|
| 1 | Hiring competent staff | | | | |
| 2 | Encourage freedom to work | | | | |
| 3 | Behavior based interviews | | | | |
| 4 | Competitive pay packages | | | | |
| 5 | Encourage creativity and innovation | | | | |
| 6 | Challenging work assignments | | | | |
| 7 | Flexibility | | | | |
| 8 | Job related training programs | | | | |

18. Please indicate by a tick (√) mark against the different HR functions where competencies should be used which will contribute to organization development.

| S.No | HR Function | Yes | No |
|---|---|---|---|
| 1 | Recruitment | | |
| 2 | Selection | | |
| 3 | Interview | | |
| 4 | Training & development | | |

| 5 | Performance appraisal | | |
|---|---|---|---|
| 6 | Communication | | |
| 7 | Compensation management | | |
| 8 | Succession planning | | |

19. Does your organization face talent   shortage?
1. Always      2. Sometimes          3. Never

20. What are the factors that determine talent according to your organization? Please indicate by a tick (√ ) mark against the level of your disagreement or agreement with each one of the factors.

| Factors | Strongly Agree | Agree | Disagree | Strongly Disagree |
|---|---|---|---|---|
| Openness to change innovation | | | | |
| Task oriented | | | | |
| Management Support | | | | |
| Peer relationships | | | | |
| Job security | | | | |
| Nature of work | | | | |
| Work relations | | | | |
| Recognition | | | | |
| Job Security | | | | |
| Encouraging Creativity | | | | |
| Flexibility | | | | |
| Transparency | | | | |
| Freedom Stimulation | | | | |

**21.** What do you think are the disabling factors of talent management practice in the organization. Please indicate by a tick (√ ) mark against the level of your disagreement or agreement with each one of the factors.

| Factors | Strongly Agree | Agree | Disagree | Strongly Disagree |
|---|---|---|---|---|
| Favouritism | | | | |
| Manipulated Hr policies | | | | |

| | | | | |
|---|---|---|---|---|
| Non transparent procedures | | | | |
| Lack of managerial support | | | | |
| Out of turn increments | | | | |
| poor work relations | | | | |

# Questionnaire (Senior Managers)

1. Name (optional )       :


2. Qualification  :                              3. Designation :


4. Gender        :                        5. Department :


6. Total years of experience in the current organization.

7. Do you think your  employees are aware of the competencies?
    1. Yes                        2. No
8. Does your organization list out competencies for each job?
   1. Always  2. Sometimes          3. Never
9. Are the candidates selected based on the listed competencies for the job?
   1. Always   2. Sometimes          3. Never
10. Who identifies the competencies
   1.HR                 2. Department Head            3.Line Managers        4.Any others
11. Does the organization consider competencies as important for recruitment?
   1. Always 2. Sometimes          3. Never
12. Does the organization consider competencies as important for training the employees.
   1. Always  2. Sometimes          3. Never
13. Does the organization consider competencies as important for developing the employees.
   1. Always  2. Sometimes          3. Never
14. Does the organization consider competencies as important for appraising the employees.
   1. Always          2. Sometimes          3. Never
15. Does the organization consider competencies important for setting the compensation to the employees.
   1. Always          2. Sometimes          3. Never
16. Does the organization consider competencies important for succession planning of the employees.
   1. Always          2. Sometimes          3. Never
17. Does the organization consider competencies important for career planning of the employees.
   1. Always          2. Sometimes          3. Never


18. Which of the functions are using competencies. Please indicate by a tick (√ )
   mark to show your level of disagreement and agreement.

| S.No. | Function | Strongly Agree | Agree | Disagree | Strongly Disagree |
|---|---|---|---|---|---|
| 1. | For Identifying vacancy | | | | |

| | | | | | |
|---|---|---|---|---|---|
| 2 | For advertising the position | | | | |
| 3 | For defining the key criteria | | | | |
| 4 | Identifying behavior indicators | | | | |
| 5 | Behavior based interviews | | | | |
| 6 | Job descriptions | | | | |
| 7 | Selecting best candidates | | | | |
| 8 | Assessing training outcomes | | | | |
| 9 | Giving feedback on performance | | | | |
| 10 | Employee engagement | | | | |
| 11 | For assessing the training methodology | | | | |
| 12 | For assessing the training outcomes | | | | |
| 13 | For evaluating the training programs | | | | |
| 14 | Training for performance | | | | |
| 15 | Expectations are clearly communicated | | | | |
| 16 | Transparency in appraisals | | | | |
| 17 | Competitive pay package | | | | |
| 18 | Succession planning | | | | |

19. What are the different levels where competencies are used for managing the talent?
1. Top Management    2. Middle management        3. Tactical level          4. Any other

20. What is the role of competency management practice? Please indicate by a tick (√) mark against the level of your disagreement or agreement with each one of the competence management statements.

| S.No. | Statement | Strongly Agree | Agree | Disagree | Strongly Disagree |
|---|---|---|---|---|---|
| 1. | Performance appraisal improves employee development | | | | |

| | | | | | |
|---|---|---|---|---|---|
| 2. | Policies develop organizations | | | | |
| 3. | Encouraging creativity and innovation | | | | |
| 4. | The competence based training helped in improving organizational development. | | | | |
| 5. | Hiring competent staff | | | | |
| 6. | Competition / confrontations leads to better policies | | | | |
| 7. | Openness to change | | | | |
| 8. | Developing competencies. | | | | |
| 9. | Competence based performance appraisals develop organizations. | | | | |

21. How do you identify talent in your organization?
    1.
    2.
    3.

22. Competency management practices help in which of the talent management aspects. How is talent managed in your organization? Please indicate by a tick (√ ) mark against the level of your disagreement or agreement ?

| S.No. | Statements | Strongly Agree | Agree | Disagree | Strongly Disagree |
|---|---|---|---|---|---|
| 1 | Hiring competent staff | | | | |
| 2 | Encourage freedom | | | | |

| | | | | | |
|---|---|---|---|---|---|
| | to work | | | | |
| 3 | Behavior based interviews | | | | |
| 4 | Competitive pay packages | | | | |
| 5 | Encourage creativity and innovation | | | | |
| 6 | Challenging work assignments | | | | |
| 7 | Flexibility | | | | |
| 8 | Job related training programs | | | | |

23. What are the factors that determine talent according to your organization? Indicate by a
    tick (√ ) mark  against the level of your disagreement or agreement ?

| S.No. | Factors | Strongly Agree | Agree | Disagree | Strongly Disagree |
|---|---|---|---|---|---|
| 1 | Organization culture | | | | |
| 2 | Organization Environment | | | | |
| 3 | Organization Policy | | | | |
| 4 | Innovation & creativity | | | | |
| 5 | Recognition | | | | |
| 6 | Employee engagement | | | | |
| 7 | Monetary incentives | | | | |
| 8 | Brand image | | | | |
| 9 | Management support | | | | |
| 10 | Flexibility | | | | |
| 11 | Transparency | | | | |
| 12 | Freedom & stimulation | | | | |
| 13 | Recognition | | | | |

24. What do you think are the disabling factors of talent management practice in the
organization. Indicate by a tick (√ ) mark against the level of your disagreement or
agreement with each one of the statements.

| S.No. | | Strongly Agree | Agree | Disagree | Strongly Disagree |
|---|---|---|---|---|---|

| | | | | | |
|---|---|---|---|---|---|
| 1 | Favoritism | | | | |
| 2 | Manipulated Hr policies | | | | |
| 3 | Non transparent procedures | | | | |
| 4 | Lack of managerial support | | | | |
| 5 | Out of turn increments | | | | |
| 6 | Bad work relations | | | | |

**Appendices – C**

**List of Companies**

| S.No. | Company Name |
|---|---|
| 1. | Cognizant |
| 2. | Tech Mahindra |
| 3. | Infosys |
| 4. | Wipro |
| 5. | International Business Management Corporation |

| 6. | KPIT Cummins Info Systems |
|---|---|
| 7. | Zensar Technologies |
| 8. | BMC Software India Private Limited |
| 9. | UBICS Technologies Private Limited |
| 10. | Zenta Private Limited |
| 11. | Polaris Software Lab |
| 12. | Ramco Systems |
| 13. | Peri Software Solutions |
| 14. | HTC Global Services |
| 15. | Bahwan Cybertek Pvt Ltd |
| 16. | Tata Consultancy Services Ltd |
| 17. | Virtusa |
| 18. | Zentih Software |
| 19. | SPML Technologies Ltd |
| 20. | Robert Bosch Engineering and Business Solutions Limited (RBEI) |
| 21 | Mphasis |
| 22. | Mind River Information Technologies |
| 23. | KMG Infotech (or Key Management Group / KMG) |
| 24. | JSoft Solutions Ltd. |
| 25. | iGATE Global Solutions |
| 26. | Citec Information India Pvt. Ltd. |
| 27. | Value Labs |
| 28. | Karvy Global Services |
| 29. | IVY Comptech Pvt Ltd |