Ethical Talent Management and organizational health- A pluralistic approach

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Abstract

Talent management interventions being a major human resource trend of the present business era, the talent philosophy itself cripples the ethical management systems of the companies. The operationalization of the word talent in different contexts, the existence of talent incongruence between the employees and the employers, the exclusive talent identification policies become double edged swords and shadow negative impact on the organizational health. Management is moreover unaware of their skewed talent identification and management policies and its possible impact on the employee performance and the organizational health. This study identifies the ethical talent development practices and assesses the impact of ethical talent management interventions on organizational health. Talent management is not a singular approach, it must be judged on ethical dimension of management which take care the prevailing organizational health.

Key words: talent, talent management, ethics, organizational health, talent philosophies

Introduction

Talent management is a contingent word which varies depending upon the organization, people who manage it and people who are to be managed. The companies have to tackle the twin effect of being global and market competition. Talent, the construct for its poor operationalization in the organization suffers many impediments during its management process. Organization that continuously stir good performance and optimum productivity out of their employees often flop to see the ethical part of managing employee talent. The process of identifying a person as talented, nurturing the

employee talent through HR practices, retaining the nurtured talent is sometime done in an exclusive way which sweeps the very way of being unethical management. Talent philosophies exist in two ways-inclusive talent identification and exclusive talent identification. In inclusive approach every employee is regarded and labeled as talented. Whereas in exclusive talent approach, only top or star performers are identified and labeled as talent. In the organization which prefers cost and benefit more than the employees adopt such talent management practices which actually results in talent derailment and poor organizational health. Researchers advocate the necessity of inclusive talent development and people equity to boost employee performance. Ethics which is grounded in code of conduct in the organization is to be inculcated in the talent identification and optimization process with unbiased preference to all the employees. The various talent management interventions such as training and development, leadership development, succession planning should be organized and designed in such a way so that the benefits of such interventions are commonly shared. The organization can never stand on the legs of very few people; it must share its benefits and must be inclusive. The Indian IT industry

with its increasing workforce diversity and antagonism is stressed hard to meet the ethical responsibilities towards employee talent management. The varying employee diversity, increasing turnover and absenteeism and continuous thrive to be global and modern necessitates ethical talent management practices in the Indian IT industry. This study analyzes the impact of ethical talent management on organizational health.

Review of literature

(**Jiang & Iles, 2011**) explored the talent management practices that lead to employer brand equity and organizational attractiveness in China. The research based on preliminary interview was designed to explore the nexus between Employee Based Brand Equity (EBBE) and organizational attractiveness (OA). The study found that in socialistic economies like china, talent recruitment and talent turnover are the major issues in talent development. A judicious selection of talent management interventions is necessary to accomplish a better employer brand. Employer branding encompasses the organizational offering to potential and existing employees, protection within the firm and outside the firm. A careful mix of talent management theories and practices

yields better results in terms of organizational attractiveness also.

(Iles, 2013) commented on the word talent in the organizational context. The meaning of talent in the organization varies according to the nature of work, nature of management and nature of the workforce being managed. Talent as an object includes individual talent characteristics, whereas talent as a natural ability consists of inborn and inherent abilities of individual employees. Talent is very often seen as mastery, the culmination of the skills that can be developed. The process of identifying and labeling employee talent differs on organizational context and predicts the future success. The talent philosophies are also conditional depending upon the organization. There is no congruent meaning of talent in the workforce, no best school of thought for talent philosophies.

(Thomas & Davenport, 2015) studied the role of ethics in talent management practices. The study explored the best practiced talent interventions in Mahindra British Territory, an Indian IT company. The researcher opined that ethical talent management practices are conclusive of organizational health and healthy business environment. Driving employee loyalty, developing employee potential, inclusive training and development activities, leadership development programs are some of the talent interventions that have significant impact on the organizational health. The quest to learn more and working par excellence results in healthy competition and better productivity. A separate unit for people care and treating employees like internal customers boost the morale of employees which will be showcased in job performance and organizational health.

(Tafti, Mahmoudsalehi, & Amiri, 2017) identified the critical success factors, problems and prospects of talent management. The data was collected through structured interview from 15 HR managers of automotive industry were subjected to qualitative analysis. The barriers to talent management practices are grouped as structural challenges and barriers, environmental challenges and barriers, behavioral challenges and barriers and managerial challenges and barriers. The three major success factors for talent management were categorized as structural success factors, environmental success factors and managerial success factors. Developing an integrated knowledge management system, unbiased talent identification set up and uninterrupted

communication in the organization smoothens the implementation of talent management interventions in the organization.

(Naim & Lenka, 2017) studied the talent management intervention in Indian IT industry scenario. In India talent management is fraught with great challenges of work force diversity and increasing employee turnover. The poor operationalization of the construct 'talent' in the working context, no robust methodology to identify and label employee talent and the infancy stage of talent management in the country pose major challenge to IT industry. Talent management in its initial stage requires human capital investment which inflates the cost for the company. The Indian IT company itself is in a developing stage and the companies cannot afford the hike in cost and increased gestation period of the money invested. Meanwhile the organizations are spreading awareness on the need of talent and its possible impact on psychological contract of between the organization and the employees.

Objective and hypotheses tested in the study

1. To study the relationship between ethical talent management practices and

organizational health in Indian IT industry.

$H_{01:}$ **There is no significant relationship between ethical talent management practices and organizational health.**

2. To measure the impact of ethical talent management practices on organizational health of select IT companies.

$H_{02:}$ **Ethical talent management practices do not have any impact on organizational health.**

Research methodology

Research design:

The study is descriptive and empirical in nature. The ethical nature of the talent management interventions of the organization is decided based on direct observation by the researcher. The researcher portrays the nature of talent management interventions practices by select companies and develops hypotheses to examine the impact of such interventions on organizational health.

Data collection:

The necessary data for the research was collected through structured questionnaires.

Besides the demographic details, the questionnaire consists of statement regarding the ethical nature of talent management interventions and its impact on organizational health. The respondents were asked to give their opinion on a five point Likert scale in which a rating of 5 means strongly agree and a rating of 1 means strongly disagree. The reliability of the constructs used to measure ethical talent management practices and organizational health is also ensured before proceeding to the analysis. Education based recruitment, potential development, inclusive training and development, recognition and reward and integrated knowledge development are considered as the independent variables and organizational health is considered as the dependent variable.

Area of the study

The study was conducted on select Indian IT companies in Kerala.

Population and sampling:

The research instrument was administered on the managers of select IT companies in Kerala. Only Indian incorporated companies are considered for the study. Three IT majors with robust talent management practices to manage the employees are considered for the study. The identity and premises details of the companies are not disclosed on the special request from the respondents. The population of the study consists of 1570 managers managing different IT operations in the Industry. A 10% of the total population was considered as sample. Hence the sample size is fixed as 157 and the sample was selected proportionately from each of the selected company

Tools for analysis:

The collected data was checked for reliability with the help of Cronbach alpha and was found reliable. The researcher had used correlation to determine the relationship between ethical talent management practices and organizational health. Further, multiple regression analysis was applied to measure the impact of ethical talent management practices on organizational health.

Analysis and interpretation:

Table 1

Results of correlation between ethical talent management practices and organizational health

Ethical talent management practices	Organizational health
Education based recruitment	0.62[**]
Potential development	0.58[**]
Inclusive training and development	0.79[**]
Recognition and rewards	0.49[**]
Knowledge development	0.7[**]
[**] indicates significance at 5% level of significance	

Source: primary data

Table 1 shows the results of correlation analysis between ethical talent management practices and organizational health. All the results are significant at 5 % level of significance. The results indicate that there exists positive correlation between the dimensions of ethical talent management practices of the Indian IT companies and its organizational health. Inclusive training and development practices of the company have more relationship with the organizational health. Employees whose talent is continuously trained and nourished by the company have increased loyalty towards the company. It also increases the organizational attractiveness as a preferred employer. Integrated knowledge development policies of the company are prototypical to retain the IT workforce which is very much diverse and sensitive in nature. The development of knowledge hub is vital to exist in the knowledge economy. Recruitment policies of the companies deep rooted in education infuses fresh talent in the work place thereby contributing to the organizational health. (Sengupta & Dev, 2013). A combination of potential development program presents vital nutrients to the organizational health. Extrinsic rewards and recognitions are considered inferior to intrinsic rewards which is more ethical in nature (Natacha Golik & Rita Blanco, 2014) (Lyons, Schweitzer, Ng, & Kuron, 2012). Hence the researcher fails to accept the null hypothesis and concludes that ethical talent management practices are related to organizational health.

Meanwhile connection does not imply causation; the researcher proceeded with multiple regressions to analyze the impact of ethical talent management practices on organizational health.

Table 2.1

Model summary

S.I	R	R-Square	Adjusted R Square	Std Error of Estimate	Durbin Watson
1	0.964	0.930	0.928	0.103	2.04
Predictors: Education based recruitment, potential development, inclusive training and development, recognition and rewards, knowledge development.					

Source: primary data

Table 2.3 shows the results of multiple regressions. The table positions that any change in the selected ethical talent management practices will have 93% change in the organizational health. The results mean that an ethical approach in managing talent of the employees contributes positively to the organizational health.

Table 2.2

ANOVA

Model	Sum of squares	Degree of freedom	Mean square	F	Sig
Regression	27.732	5	5.5464	420.307	0.00
Residual	2.090	152	0.013		
Total	29.822	157			

Source: primary data

The table 2.2 depicts the results of one way ANOVA to determine the significant and effectiveness of regression results. The results are significant at 5% level of significance. (F=420.307, P<0.05).

Table 2.3

Coefficient table

Model	Unstandardized coefficients		Beta (standardized)	T statistics	Sig	Tolerance	VIF
	beta	std error					
constant	0.520	0.064		8.108	0.00		
EBR	0.206	0.014	0.319	14.689	0.00	0.764	1.309
PD	0.135	0.015	0.207	8.662	0.00	0.634	1.577
ITD	0.198	0.014	0.342	14.402	0.00	0.641	1.560
R&R	0.124	0.011	0.229	11.139	0.00	0.852	1.173
KD	0.20	0.013	0.326	15.012	0.00	0.764	1.308
Dependent variable: organizational health							
EBR: education based recruitment; PD: potential development;ITD- inclusive training and development; R&R: rewards and recognition; KD: knowledge development							

Source: primary data

Table 2.3 indicates the coefficients of multiple regression analysis. The results indicate that all the ethical talent management practices have significant impact on the organizational health. Good organizational health is vital for enhancing the organizational performance, productivity and maintaining the sustainable competitive advantage. The variance inflated factor (VIF) and tolerance level signifies that the regression results are free from any multicollinearity

problems. The result is significant at 5% level of significance ($p > 0.05$ for all independent variables).

Practical implications of the study

The study throws light on the ethical aspect of managing employee's talent in Indian IT companies. The IT sector being the major private sector employer of the country faces global competition and threat of managing a diverse employee community. Ethics, which is sometime painted grey in corporate governance must be given due importance in the modern era. Employees must be considered equally and must be treated fair to retain them and ensure organizational attractiveness and employer branding.

Conclusion

Talent management is considered as the yardstick for success in the modern business. Identifying the employee talent, nourishing the identified talent, developing talent, leveraging talent become part of talent management architecture. The IT being the major private sector employer witnesses around 15% turnover annually (Naim & Lenka, 2017). India being an educated economy and high on literacy has sufficient talent within. But the ineffective talent

management policies lead to talent derailment and add on to more cost for the IT companies. The IT companies are the employers of a highly diverse workforce too. Diverse workforce across cultures, languages, ages, education entails policies that are in line with being ethical. Being ethical in talent management processes and policies helps in creating an inclusive workforce with utmost loyalty, morale and the thrive to achieve more success for their company. The human resource managers must ensure proper framing and implications of their talent decision and must be aware of the outcomes their decision can shadow on the employees and the company in general (Bolander, Werr, & Asplund, 2017). The talent management interventions must be framed by keeping in mind people equity. Interventions such as training, mentoring, career management, succession planning, leadership development, team working should be designed and implemented so that not a single talent in the organization is left out (Kwame Mensah, Nyigmah Bawole, & Wedchayanon, 2016). The management should always bear in its thoughts and action that the company stands on the shoulders of all the employees not on some top performers.

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