

# A Study on Talent Management Practices and its Impact on Employee Performance in R.K.M. Powergen Pvt.ltd Industry of Kharsia block on Chhattisgarh

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## Abstract

The paper aims at understanding the Employee Talent Management Practices followed in R.K.M. Industry and how it influences retaining of Employees. Retaining of Talented employees has become a critical issue for the R.K.M Industry, as it is knowledge-based. Human capital plays a very important role and hence the present study aims at practices to retain them. A well – structured questionnaire measures the responses and the majority of the respondents are star performers. The Questionnaire has been validated to examine the relationship between various factors. Total numbers of respondents were 1000. factors taken for study exceeds which indicates strong internal consistency among the variables. T-test and ANOVA are used in the study to test equality among each demographic variable. Confirmatory Factor analysis is used to test the components of Talent Development and Retention Practices.

**Keywords:** Talent Management, Development, Employee Engagement, Employee Retention.

## Introduction

The role of R.K.M Industries towards economic growth has been tremendous in the last few years. This is because of the western company's dependency on outsourcing the work in India. Industry being a hub of Innovators provides world-class technology across the globe. Leading companies like Google, Accenture, etc., have set up their offices in India. This makes it possible in changing the Indian Economy from an agricultural – based economy to a knowledge-driven economy. Also, the impact created by Sector on the lives of many people is significant. The recent Employee turnover report given by Pay scale indicates that Employee turnover rate among Fortune 500 companies is the highest. According to research, the power generates sector generates huge revenues which indicate a positive metamorphosis of the Indian Economy. Employee Turnover means the percentage of Company employees leaving during a specified period. Many reasons tend employees to leave the company. Some of the reasons are alignment between pay & performance being poor, fewer opportunities for

growth & advancement. R.K.M being knowledge-based Industry relies heavily on talented Employees. Hence, the turnover of these talented Employees should be given a serious look to nip in the bud.

### Objectives

The present study on the "impact of talent management system" was undertaken with the following objectives: The Objectives of the Study are

- 1) To know the extent of the importance of Talent Management Practices in R.K.M Industries
- 2) To understand the level of impact of Talent Management Practices in retaining Employees
- 3) To know the Attraction and Development Practices in Talent Management
- 4) To study the Performance Management Practices and Employee Engagement Practices
- 5) To develop a Theoretical Model linking Talent Management and Employee Retention
- 6) To study the need and importance of "Talent management".
- 8) To study the talent management implementation in the company.

### Scope of the study

The scope of any employee talent management would Provide talent employees with a better understanding of their role and responsibilities; increase confidence through recognizing company strengths while identifying training needs to improve weaknesses; improve working relationships and communication in industry between supervisors and subordinates; increase commitment to company organizational goals develop employees into future supervisors.

### Hypothesis

The explanatory variables taken for study have no significant impact on Employee Engagement.

H<sub>1</sub>: The explanatory variables taken for study have a significant impact on Employee Engagement

H<sub>2</sub>: The ranking pattern among male and female respondents on various factors of employer branding is the same

H<sub>3</sub>: The ranking pattern among male and female respondents various factors of employer

H<sub>4</sub>: The explanatory variables taken for study have no significant impact on Employee Engagement.

H<sub>5</sub>:The explanatory variables taken for study have a significant impact on Employee Engagement

### **Need for Research**

Though an adequate amount of research has been done in the area of Employee Turnover, this work has been conducted in the area of R.K.M Industry as it is knowledge-based and Human Capital plays a very important role. Hence, attracting talent, developing talent and retaining talented employees becomes an area of wider research and requires a deeper study. The Information technology industry in India has gained a huge acknowledgment and is considered a brand identity as a knowledge economy because of the nature of the Industry. The growth in the service sector in India has been led by the sector, contributing substantially to the increase in GDP, employment and exports. The industry is considered to be a net employment generator to nearly 2, 30,000 jobs in 2012, thus providing direct employment to about 2.8 million people Society has become knowledge-based where clearly human capital is considered a key resource and indispensable to the survival of the organization.

### **Literature Review**

Sheehan (2013) in his study revealed that there are negative psychological influences of the employees who have left the organization on the employees who are working in an organization after the employee turnover. Rao (2014) in his study indicated that attrition has an impact on both an individual and an organization and it should be managed effectively. He discussed the top five challenges faced by human resource managers in his study. The author conducted an online survey among Human Resource managers across a wide range of companies. Rosemary and Colvin (2011) in their study identified the factors responsible for employee attrition and suggested a solution for reducing it. The study revealed that lack of satisfaction with human resource plans and policies and poor working conditions are the major reasons for employee attrition. Kishor and Jha (2012) in their study described the issues and causes related to attrition of employees and challenges in retaining the talented employees. The author reveals that employee attrition is a very serious problem and the misery of every industry.

Sabita (2007) in her study revealed that right salary is important to interest and retain the talent of an organization and she also indicated that there is a need for contemplation on how employees are hired, inducted, motivated and engaged. Attrition is strong affects the growth of an organization. Adkerson (2000) in his article stated that the best way to maintain praiseworthy employees is to pay close attention to the issues of employees and to view them as gears in your company's overall retention strategy. Johnson et al (2000) in their study observed the frequency of turnover in a business-to-business sales setting. The study conducted by them developed a new criterion of

turnover functionality. Some common antecedents of turnover frequency were examined in their study

### **Research Methodology**

The research methodology is maybe understood as a science of studying how research is done scientifically. It is a way to company systematically solves the research problem. "According to the based advanced learner's dictionary of current English lays down the meaning as" A careful investigation or inquiry. Especially through the search for new facts in any branch of knowledge, The study is primarily based on primary data collection through questionnaire from employees.

#### **Sampling Design**

The universe for the study comprises of the R.K.M employees in. Random sampling method has been used. The required data were collected totally from 1000 employees.

#### **Area of the Study**

The location selected for research is at Champa District in Chhatisgarh.

#### **Period of the Study**

The study has been conducted from 2018 to 2019 for analysis of secondary data relating to various aspects of trends in R.K.M, Job Opportunity in R.K.M, different talent development practices in the industry, talent retention practices and comparison of salary and benefit among R.K.M industry employee at kharsia. The primary data relating to the opinion of employees about talent management practices and their satisfaction level in sectors at kharsia have been collected.

#### **Research Design**

Descriptive Research Design is used in the study to know the employee Talent Management practices in the industry and its impact, employee satisfaction level, attraction and development practices and its key dimensions in this sector. The questionnaire has four sections. In the first part, Socio-economic and demographic criteria like Gender, age, marital status, Designation, Experience, Income, etc were collected. In the second part, respondents were asked to evaluate parameters on talent attraction practices relating to Employer branding. The third part deals with Talent Development practices like Learning and development, Mentoring, Leadership development, Performance management system, performance appraisal about the sector.

#### **Data Collection**

A pre-tested questionnaire was prepared and used to collect Primary data. Journals, Magazines, Publications and Various websites including the official websites of industries have been referred to collect the secondary data.

#### **Statistical Tools Used**

The collected data have been consolidated, tabulated and analyzed by using relevant statistical tools like Frequency Statistics, Descriptive statistics, Standard Deviation, Independent sample t-test,

ANOVA test, Mann-Whitney U test, Test, Multiple regression analysis, Correlation, Perceptual Mapping, and Henry Garret Ranking Method. The SPSS 16 package was utilized for analyzing the data. The interpretation of the study is done by using tables, graphs, and charts to give meaningful results.

## Analysis

### 1) *Ranking of factors of Employer Branding*

The following Table No.1.1 displays the ranks given by the respondents on various factors of employer branding.

**Table No.1.1: Ranking of Factors of Employer Branding**

Factors of Employer Branding	Weighted Rank	Preference
The Organization values and makes use of creativity	3.98	1
Best Benchmarking / Novel work practices	4.23	2
Working in an exciting environment	4.37	3
Produces high-quality products and services	5.52	4
Feel good about oneself working for a particular organization	5.84	5
Rich values and Culture	5.97	6
Great place to work	6.42	7
Socially responsible / Gives back to Society	6.73	8
Industry Leader	7.14	9
Produces innovative products and services	8.68	10
Resources for Development	10.13	11
Inspiring Vision and Mission	11.06	12
Financial Performance	11.38	13

It can be observed from the above table that the respondents have chosen to give the highest preference to the factor „The Organization values and makes use of creativity“ (Mean rank 3.98), followed by the factor „Best Benchmarking / Novel work practices“ (Mean rank 4.23) and the factor „Working in an exciting environment“ (Mean rank 4.37). The respondents have given the least preference for the factor „Financial Performance“ (Mean rank 11.38).

### 2) *Test for Equality of Ranking Pattern among Gender Groups on various Factors of Employer Branding*

The ranking pattern of male and female respondents on each factor of employer branding was analyzed to test whether their pattern of ranking is equal to various factors. The statistical tool Mann-Whitney U Test was used for the analysis with the following hypotheses and the results are displayed in Table No2.1

H<sub>0</sub>: The ranking pattern among male and female respondents on various factors of employer branding is the same

H<sub>1</sub>: The ranking pattern among male and female respondents various factors of employer



**Table No.2.1 Mann-Whitney U Test for Ranking Pattern among Gender Groups on various Factors of Employer Branding**

Factors of Employer Branding	Male	Female	Mann-Whitney U	Z	Asymp. Sig. (2-tailed)
Inspiring Vision & Mission	244.23	240.84	26811.50	-.264	.791
Great place to work	246.22	235.98	25957.00	-.784	.433
Feel good about oneself working for a particular Org.	241.71	245.26	26794.50	-.269	.788
Working in an exciting environment	239.59	248.98	26139.00	-.721	.471
Best Benchmarking / Novel work practices	241.66	245.36	26777.50	-.282	.778
The Organization values and makes use of Creativity	242.51	243.86	27040.00	-.104	.918
Produces high-quality products and services	239.88	248.49	26226.50	-.655	.512
Socially responsible / Gives back to Society	235.90	255.47	24997.50	-	.136
Rich values and Culture	245.01	239.47	26570.00	-	1.490
Industry Leader	248.33	233.65	25546.50	-	.423
Produces innovative products and services	237.70	252.30	25554.50	-	.263
Resources for Development	242.08	244.61	26909.00	-	1.120
Financial Performance	239.50	249.15	26110.00	-	.265
				1.115	.847
				-.193	.453
				-.751	

It is very much evident from the above table that the Z-values are very small and the p-values are very high ( $> .05$ ) for all the factors of Employer Branding. This implies that there is no sufficient evidence to reject the null hypotheses of no difference in the ranking pattern of male and female respondents on different factors of employer branding at a 5% level of significance. This implies that there is no difference in the ranking pattern of male and female respondents on each of the factor of employer branding.

### 3) *Ranking of factors of Performance Management System*

The following Table No.3.1 displays the ranks given by the respondents on various factors of the Performance Management System.

**Table No.3.1 Ranking of Factors of Performance Management System**

Factors of Performance Management System	Weighted Rank	Preference
Critical Judgement	3.63	1
Communication	3.75	2
Customer orientation	3.78	3
Creativity / Innovation	4.66	4
Technical/ Functional expertise	5.08	5
Teamwork	5.23	6
Leadership	5.51	7
Interpersonal skills	5.67	8
Action – Orientation	7.67	9

It can be observed from the above table that the respondents have chosen to give the highest preference to the factor „Critical Judgement“ (Mean rank 3.63), followed by the factor

The respondents have given the least preference for the factor „Action orientation“ (Mean rank 7.67).

#### 4) *Performance Management System*

The ranking pattern of male and female respondents on each factor of the Performance Management System was analyzed to test whether their pattern of ranking is equal to various factors. The statistical tool Mann-Whitney U Test was used for the analysis with the following hypotheses and the results are displayed in Table No.4.1

H<sub>0</sub>: The ranking pattern among male and female respondents on various factors of the Performance Management System is the same

H<sub>1</sub>: The ranking pattern among male and female respondents various factors of Performance Management System is not the same

#### 5) *Model Fitting: Multiple Regression Analysis*

Multiple regression analysis is used to fit a model for the dependent variable Employee Engagement through the Talent Management Practices. The independent variables include the factors taken for study through Talent Development Practices and Talent Retention Practices. These two factors are studied through Learning and Development, Mentoring, Leadership Development, Performance Appraisal, Satisfaction level on present job, Compensation and Rewards & Benefits. Multiple regression analysis was carried out with the following hypothesis to develop a model for Employee engagement on the independent variables mentioned above.

H<sub>0</sub>: The explanatory variables taken for study have no significant impact on Employee Engagement.

**6) H<sub>1</sub>: The explanatory variables taken for study have a significant impact on Test for Equality of Ranking Pattern among Gender Groups ON various Factors of Performance Management System**

#### 7) *Model Fitting: Multiple Regression Analysis*

Multiple regression analysis is used to fit a model for the dependent variable Employee Engagement through the Talent Management Practices. The independent variables include the factors taken for study through Talent Development Practices and Talent Retention Practices. These two factors are studied through Learning and Development, Mentoring, Leadership Development, Performance Appraisal, Satisfaction level on present job, Compensation and Rewards & Benefits. Multiple regression analysis was carried out with the following hypothesis to develop a model for Employee engagement on the independent variables mentioned above.

H<sub>0</sub>: The explanatory variables taken for study have no significant impact on Employee Engagement.

H<sub>1</sub>: The explanatory variables taken for study have a significant impact on Employee Engagement

**Table 5.2: Model Summary**

Model	R	R Square	Adjusted R Square	Std. An error of the Estimate
1	.514 <sup>a</sup>	.264	.262	.38213

- a. Predictors: (Constant), TRP-Rewards &Benefits,
- b. Dependent Variable: TRP-Employee Engagement

Table No. 5.3 gives the significance of the model fitted by SPSS. The high value of  $F(3,836) = 273.754$  with low p-value .000 verify that the first model is the best one with all the three independent variables.

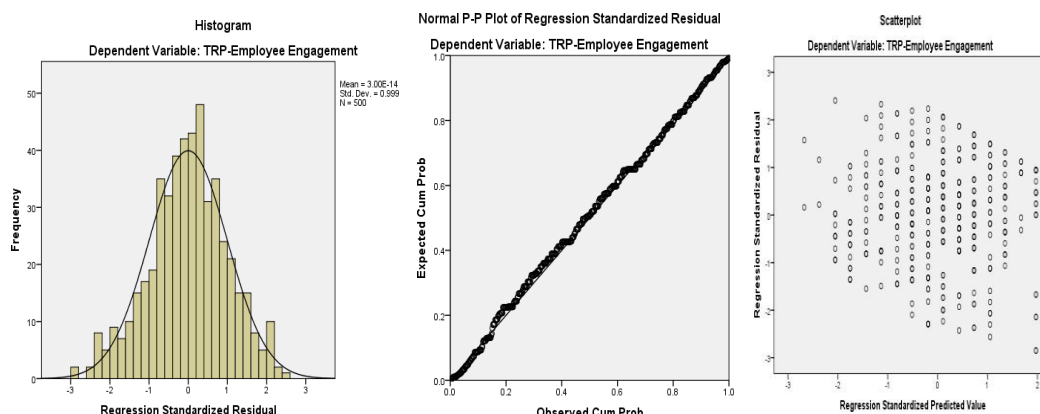
**Employee Engagement = 1.802 + .567 (Rewards and Benefits)**

The independent variable Rewards and Benefits with a coefficient of .567 is significant ( $t=13.355$  and  $p < .001$ ) in explaining satisfaction level and has a positive impact on Employee Engagement. This means that Rewards and Benefits offered to the employees enhances their engagement level to their work, as an increase of one unit in Rewards and Benefit increases Employee Engagement by 0.567 units. This proves the hypotheses that the variable Rewards and Benefits has a significant effect on Employee Engagement. The other variables Learning and Development, Mentoring, Leadership Development, Performance Appraisal, Satisfaction level on present job and Compensation are not included in the stepwise regression model and hence have no significant impact on employee engagement.

The following figure No.1 depicts the graph plots of residuals versus their expected values. The normal probability plot (in the middle of the figure) of the residuals should roughly follow a straight line. If the data have fewer than 50 observations, the plot may display curvature in the tails even if the residuals are normally distributed. It can be observed from the figure that the plots in the normal probability plot are not forming an exactly straight line, but rather very close to the straight line, thus confirming the residuals follow the normal distribution.

Employee Engagement

**Fig. No.1**



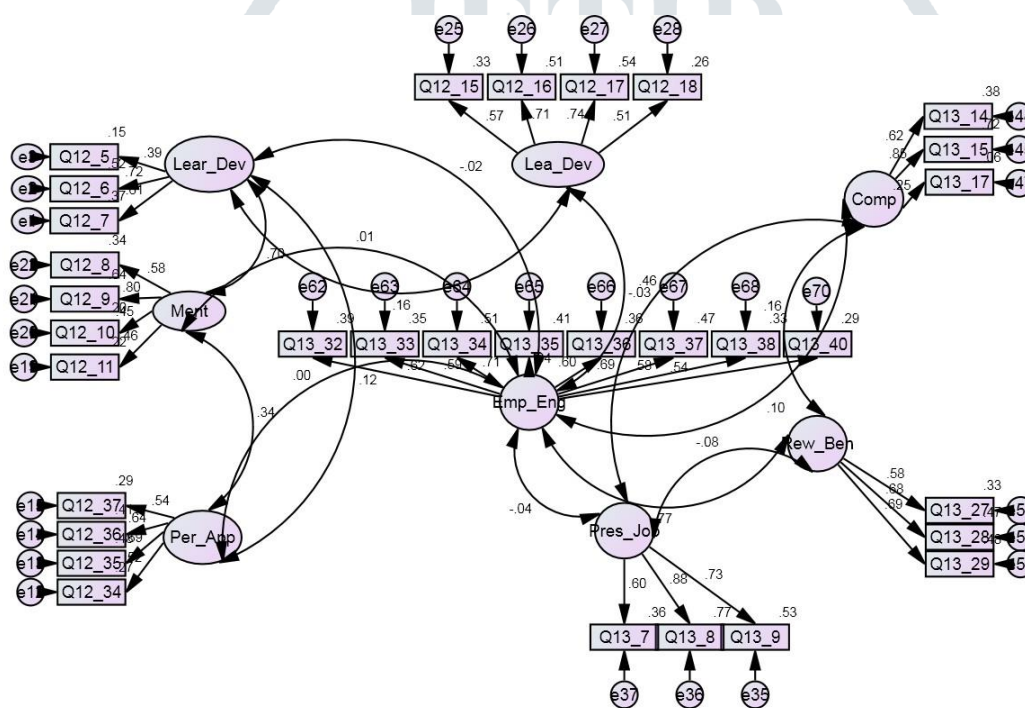


Also, it can be noted from the other two plots, i.e., Histogram, Scatter plot of regression standardized residual that the residuals do not follow any pattern and the variation can be attributed to chance. Hence it can be concluded that the model fitted above for Employee Engagement on the independent variable Rewards and Benefits is very much appropriate.

**Table 6.1: Results of the Confirmatory Factor Analysis – Model Fit**

Chi-square	Df	P	CMIN/df	GFI	RMSEA
6343.564	2331	.000	2.721	.591	.059

The norms for acceptance of the model are CMIN/df should be less than 5, GFI should be more than .9 and RMSEA should be less than .06. The above results reveal that all these prerequisites for the acceptance of Measurement model are not met. Hence several variables which are not contributing to the variance of factors were removed and the revised measurement model was developed as depicted in the following Figure6.2



**Implications**

The findings from the study are discussed below. When it comes to Employer Branding, Employees give first preference to whether the Organization values and makes use of Creativity while the financial performance of the Organization is given the last preference. The respondents have been asked to rank the various factors of Employer Branding. The response was analyzed using Mann – Whitney U Test and the result is that the ranking pattern of male and Female on Employer Branding is the same. In the Performance management System, the highest preference is given to Critical Judgement of the Employees by the Organization.

Mann – Whitney U Test was used to analyze the ranking pattern among the gender groups on various factors of Performance Management System and there is no difference in the ranking pattern among the gender.

Multiple Regression Analysis was done to know the relationship between Employee Engagement and Talent Development and Retention Practices. The mean level of agreement of respondents on the variable Employee Engagement is 4.19, which means that the respondents agree to the fact that they are engaged in their work. A Model was fitted through SPSS software. The model has an adjusted R – Square of 0.494 which means about 50% of the variation in the dependent variable satisfaction level of respondents was explained by the Independent Variable. Structural Equation Modeling was done and it was found that a high degree of positive correlation exists between Employee Engagement and Rewards & Benefits. Also, Talent Development Practices have no direct or indirect Impact on Employee Engagement while Talent Retention Practices have a significant positive impact on Employee Engagement.

### Limitations

1. One of the main limitations was the availability of time to collect the data which delayed the further processing and analyzing of the data.
2. The study is confined only to employees of Powergen industries.
3. Due to time constraint, the researcher covered only a limited period of study i.e. 2018- 2019.
4. The information given by the respondents may be biased due to various reasons.

### Finding

According to the data obtained from the survey, the process of talent management to ensure that the organization attract, retain, motivate and develop the talented people existing in the organization Talent management was thought to be the more cost effective to identify, develop and retain management talent than to replace lost talent with recruitment from the external labor market. It was thought that over the last several years, there has been a growing body of research and evidence that clearly shows the incremental economic value that talented, high performing people deliver. It was thought that there exists a major difference in average share performance between organizations with a culture of talent management a process that should cascade from the CEO and senior executives. Company HR's role is to facilitate the management of talent and consultants to the line managers.

### Conclusion

R.K.M. company organizations continue high talent and improved results TM practices, the company taking a holistic approach to talent employee from attracting and selecting, to retaining and developing

leaders, to placing employees in positions of greatest impact of a company. The intense focus must be applied to aligning human capital with corporate R.K.M company strategy and objectives, recruiting talented people and continues by sustaining the knowledge and competencies across the entire workforce. With rapidly changing skill sets and job requirements, this becomes an increasingly difficult challenge for Organizations Company. By implementing an effective talent company management strategy, including integrated data, processes, and analytics, organizations can help ensure that the right people are in the right place at the right time, as well as organizational readiness for the future. Finally, to conclude the future of organizations depends on how the whole organization and not just HR anticipates and reacts to changes in this era of talent shortages.

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