

A study on the influence of talent management in enhancing organisational performance

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Abstract

In today's competitive world of business retaining an efficient and talented employee is major challenge for every HR and also initiating business practices for globalized tomorrow. The emerging paradigms is given rise to "Talent management". Talent management is gained crucial importance over a period, for a smooth and uninterrupted flow of business, it is going to be an indispensable part of HR strategy. Talent management is an integrated set of process, programs and cultural norms in an organisation designed and implemented with a primary responsibility to attract, develop and retain talent to achieve strategic objective and ensure efficient accomplishment of future business needs. The performance of every organisation depends on the performance of its employee. If the employee is skilled and holds a unique competency, which the competitors can't replicate, the organisation by default gains competitive edge over its competitors. Thus, the organisation to retain its unique human capital focuses to create an effective system to retain and develop their key personnel's. The research design is empirical in nature with a sample size of 450-550. The purpose of the study is to analyse the influence of talent management in enhancing organisational performance.

Key words: Talent management, organisational performance, competitive edge, human capital

Introduction

Human resource management ensures efficient and effective utilization of human resource to achieve individual and organisational objectives. Human resource is considered to be a major asset and the success of the organisation is directly proportionate to the employee satisfaction and also retaining talent human capital is given a major focus through development of effective system that ensures their retainment and development in the organisation. The cost of hiring a new talented employee is considered to be thrice the pay of existing talent also excluding the factor of cost burden the organisation is affecting in terms of repository of knowledge and also the brand value of the firm. In this competitive market place talent management is gained importance as it ensures recruiting, training developing, assessing and maintaining the most valuable "human resource".

Talent management is one of the crucial and vital drivers of the organisational growth and success. The organisation should largely focus towards forecasting its opportunities much before its competitors for its long-term survival. So, the current scenario is creating way for talent mangementhas, which is considered as an emerging challenge for "people managers". The organisation is largely required to ensure that talent

management are efficiently aligned or associated with the business goals so as to achieve the targets within stipulated time line. The organisation is required to make initiatives where the talented employees are abundantly given opportunities for career development that leads to increased performance. The productivity of the organisation is increased with the increased work performance that generates better revenue.

The talent management creates a positive influence on organisational management as it ensures the identification of essential skills and competences to be developed in all employee, improved recruitment process by distinguished high calibre candidates, minimize attrition as talented employees are retained and also organisational performance is achieved. The organisational performance is measured in terms of financial and non-financial in nature where financial is measured in terms of increased sale, better profit, increased ROI and non-financial includes employee satisfaction, customer satisfaction, good employment relationship. The organisation should ensure a balanced performing in financial and non-financial criteria to achieve high performance. To drive this high performance, the involvement of talent employee is required as they possess potential competencies and asset of the organisation. Thus, human capital is major driver for organisational performance.

Review of literature:

S.Payambarpour,L.Hooi(2015);defined TM as a process of interrelated organisational activities such as identifying,selecting,developing and retaining the talented employees and ensure their development that will contribute towards employee engagement leading to better organisational performance.N.Kumar(2016); confider's as an ongoing process the state of initial recruitment by hiring right talent and resulting in retaining talent .M.Modarnes,J.Pezeshk(2017);it encompasses all HR process ,technologies and administration of talent optimization and utilization.Lebans and Eusake(2015);Tm creates a significant impact on organisational performance by enhancing the increased organisational productivity by retaining key personnel's.Lusthaus and Adrien(2017);also determines the aspect that the talent management is essential it's not just loosing the talented employee but also the knowledge is also moved out that affects the working of the organisation and also the brand value of the firm itself.Schieman(2016);have different perspective on talent management process i.e.

Talent identification: recruiting candidates for future leadership and not for specific position

Succession planning: The process of future position planning in identifying candidates in accordance to their skill

Talent development: The talent development is essential like career development programs, learning opportunities, training, stretched assignments, challenging task and increased support through mentoring and coaching.

Talent retention: It can be controlled through performance-based pay, training, intrinsic motivation.

Statement of problem:

Performance is dynamic; to judge or interpret casual models that describe the current status and the future status to be achieved. To report organisational performance, its required to be able to quantify result and talent management is essential since it determines the process of HR. The current study examines the crucial impact of talent management on organisational performance, since the key personnel's holds a

primary responsibility of decision making its required to ensure that the talent development and talent retention for growth and survival of the organisation.

Scope of study:

The era of technology is created a bubble which influenced the most talented to shift from traditional to informational technology. But the scenario today is back to future. This recession is created a research gap between the supply and demand of talent resulting in over supply of technical people in comparison of demand, under-supply of most talented employees over demand .The potential of talent management should not be ignored rather to be continuous in nature and also retaining the talent leads to competitive edge and ahead than competitors' research gap observed is neglect of organisational culture ;work-life balance is not given a crucial importance and also greater importance towards the top management and negligence towards the study of problem of non-executive level of employee.

Research objectives:

To examine the impact of talent management on organisational performance.

To present an understanding on talent management and its crucial need.

To study the use of talent management in various functions of human resource

To identify various challenges of talent management and suggest measures to overcome them.

Hypothesis:

H₀-There is no significant impact of all dimensions of talent management on organisational performance.

H₁-There is significance impact of all dimensions of talent management on organisational performance.

Research design and methodology:

The research is empirical in nature. To analyse the impact of talent management on organisational performance. To make the research objectives more accurate the following steps have been taken.

Sample size:150

Statistical tools applied: Correlation and regression analysis.

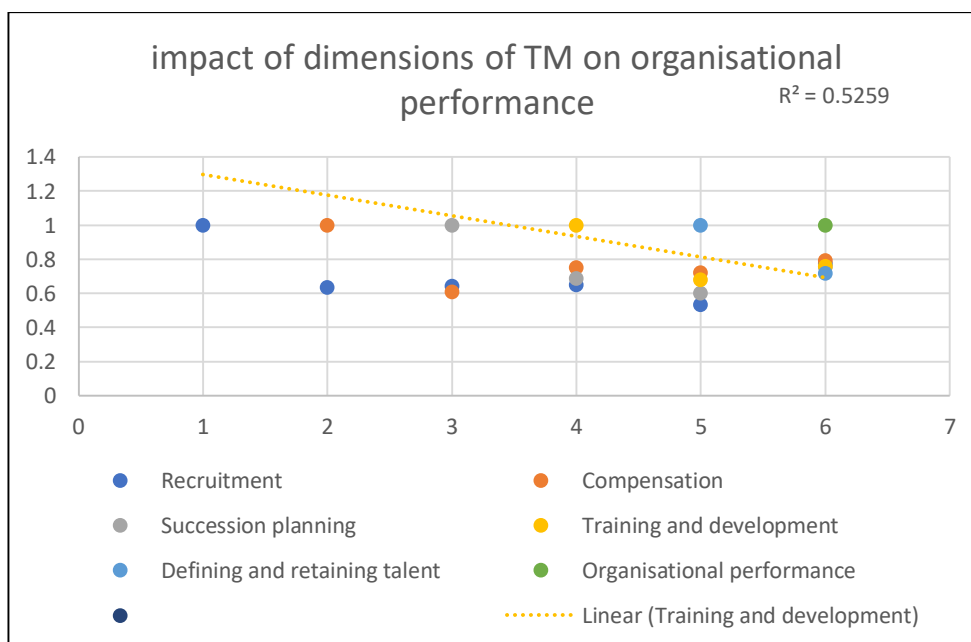
Data collection method: questionnaire and personal interview

Generation of scale items: each of the variables were measured by five-point Likert type scale, ranging from 1-strongly disagree to 5-stongly agree.

Findings and discussion:

Correlations:

| | Recruitment | Compensation | Succession planning | Training and development | Defining and retaining talent | Organisational performance |
|-------------------------------|-------------|--------------|---------------------|--------------------------|-------------------------------|----------------------------|
| Recruitment | 1 | .634 | .642 | .649 | .534 | .773 |
| Compensation | | 1 | .609 | .750 | .720 | .792 |
| Succession planning | | | 1 | .688 | .602 | .755 |
| Training and development | | | | 1 | .680 | .758 |
| Defining and retaining talent | | | | | 1 | .716 |
| Organisational performance | | | | | | 1 |



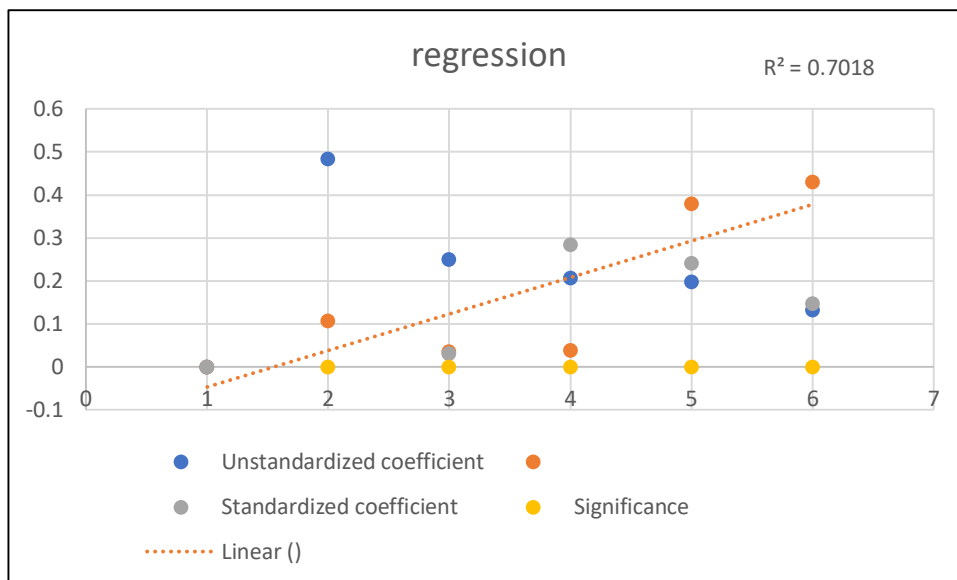
Interpretation:

Correlation is significant at the 0.01 level. According to the analysis, all the dimensions are positively correlated with the value of r i.e. the dimensions of talent management shows a positive relationship. There is strong liner relationship between all the dimensions of talent management and organisational performance.

Thus, the alternate hypothesis is accepted stating there is significant impact of dimensions i.e. recruitment, compensation, succession planning, training and development, retaining talent on the organisational performance.

Regressions:

| Model | Unstandardized coefficient | | Standardized coefficient | Significance |
|-------------------------------|----------------------------|-----------|--------------------------|--------------|
| | B | Std.error | Beta | |
| Constant | .484 | .108 | | 0.00 |
| Recruitment | .250 | .036 | .0309 | 0.00 |
| Compensation | .208 | .039 | .285 | 0.00 |
| Succession planning | .199 | 0.38 | .242 | 0.00 |
| Defining and retaining talent | .133 | 0.43 | .147 | 0.00 |



Interpretation:

Dependent variable is organisational performance as per regression analysis. According to the analysis, there is 30.9% impact of recruitment on the organisational performance. 28.5% impact of compensation, 24.2% impact of succession planning and 14.7% impact of defining and retaining talent on organisational performance. On the basis of analysis, the impact of all dimensions is significant and positively related to organisational performance.

Discussions:

The demographics included age, gender and qualification respectively. The male respondents resulted to 78 and the female respondents resulted to 72 the level of satisfaction with the talent management practices resulted high to male and relatively low to the female respondents. This clearly exhibits the lack of talent management practices and signifies the need to strengthen their talent management practices also considering the fact that male respondents show a positive gesture towards the organisational performance, where the reputation of organisation is high with the clients. Considering the age factor the respondents, below age of 30 are highly satisfied with talent management and organisational performance. Thus, the impact of dimensions of talent management are positively related to the organisational performance.

Suggestions and Recommendations:

The analysis signifies the positive impact of talent management on organisational performance however the factor dissatisfaction is also observed emphasising the need for further modifications in talent management practices. Considering the fact that employees are major asset to any organisation his satisfaction determines the growth and survival of the organisations. Thus, talent management is given crucial importance in the emerging trends. The study suggests certain measures to improve talent retention and ensure reduced attrition rates. The process of communication should largely be focused for the reason being that employees are aware what they are suppose to do and what they are expected. The exchange of expectations leads to unhealthy stress and conflicts. The organisation is required to ensure quality management or supervision to avoid lack of expectations, clarity, feedback about performance. The participative style of leadership is demanded in the competitive market where the employees should be given a platform to express his views towards the growth. Ensure new opportunities are created for the growth and development of the employees, also the aspect of appreciation should be a part of appraisal that creates a sense positivity a boost the employees' performance.

Limitation of study:

The study signifies the impact of dimensions of talent management on organisational performance viable for further study exists. The study has accomplished the objective and reliability. Since the period of study is short, time was the major constraint thus the data collected was limited and also the study was highly related and applicable to sector of information technology and its application on another sector lacks the suitable requirement.

Future research:

The study can be conducted with other moderated variables that can establish a strong relationship between talent management. Also, the study can be conducted with other sectors like insurance, hotel industry etc, the above can be considered for future research.

Conclusion:

The present study incorporated the result that the relationship of talent management and the organisational performance is positive also the data analysis emphasises the same. The employees are satisfied but are

providing a suggestions for the improvement of talent management practices to retain the employees and ensure their better performance leading to better productivity and generate better ROI also to ensure the reduced attrition rates .The talent management has crucial impact on organisational performance ,and hence the organisation should integrate talent management in its business plan or strategies to ensure productivity ,profitability leading to gain a competitive edge in the changing business economy and environment .

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