

AN ANALYSIS OF TALENT MANAGEMENT'S IMPACT ON ORGANIZATIONAL PERFORMANCE

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ABSTRACT

Talent Management is a tactical approach to HRM that firms adopt to effectively retain employees over an extended period. Talent management is the systematic process of acquiring skilled people, equipping them with the required skills to advance in their professions, evaluating and overseeing their performance, and implementing strategies to retain them inside the firm. The main objective of this study is to examine the correlation between talent management and organizational performance, as well as propose strategies for retaining skilled individuals within the business to ensure long-term sustainability and growth of the company. A meticulously crafted questionnaire is employed to collect data from both primary and secondary sources. The sample consists of 120 individuals from different software companies situated in Bangalore city. This study utilizes the convenience sampling technique and employs statistical tools such as multiple regression analysis to examine the data. The findings of the study indicate that talent management strategies have a beneficial effect on organizational performance. To effectively retain skilled individuals, firms should prioritize learning and development programs, as well as give career advancement possibilities. These measures eventually promote organizational productivity and performance.

Key Words: HRM, talent Management, organizational performance

INTRODUCTION

In the present era, the key source of competitive advantage for a firm is its talent. The performance of an organization is contingent upon the its people's performance. The employees of an organization should possess distinctive expertise that sets them apart from their competition. Retaining a competent workforce is a significant task for HR managers in today's competitive climate, in addition to the burden of acquiring new talent, Talent management is a

highly intricate and crucial undertaking. Effective talent acquisition enhances the strength of an organization's strategy. The current state of the global economy has resulted in a higher number of people looking for jobs worldwide. However, there is still a significant scarcity of skilled workers in various industries and nations. This has led to an increase in the problem of "Talent Mismatch". In today's corporate environment, the demand for individuals with multitasking abilities has made talent acquisition increasingly challenging. Consequently, the task of identifying the most suitable candidate for a specific job is becoming increasingly difficult. The firm is facing a significant issue in not just acquiring but also retaining qualified personnel. In the current dynamic corporate environment, HR departments must adopt a more strategic approach to foster employee engagement, which is a valuable asset for talent management. Talent management is concerned with the processes and strategies involved in the recruitment, promotion, and departure of individuals within a company. The success of Talent Management relies on the backing of a robust organizational structure. Given the potential for talented individuals to significantly impact the future of a firm, it is imperative that Talent Management be given a prominent role within an organization. Implementing talent management techniques effectively promotes employee engagement, hence improving organizational performance. The level of employee involvement directly correlates with productivity.

In the realm of literature, talent management can be described as a multifaceted process aimed at attracting, nurturing, and retaining high-potential individuals both from outside and within an organization. It constitutes a continuous effort involving external recruitment, internal development, and employee retention. This holistic endeavor is effectively realized through talent acquisition, which adopts a forward-thinking approach. It seeks to identify and bring on board exceptionally talented individuals not only for current roles but also with a strategic eye toward positions that may emerge in the foreseeable future. Furthermore, talent acquisition encompasses not just the identification and development of talent but also its active engagement and long-term retention within the organizational framework. Lewis and Heckman, in their research on talent management, present three pivotal insights. First, they propose that talent management essentially comprises a set of conventional human resource practices, including recruitment, selection, development, career planning, and succession management. This perspective implies that talent management is, at its core, an extension of traditional HRM practices. Lewis and Heckman's work delves deeper into the intricate dynamics of talent management, specifically concentrating on forecasting and modeling the flow of human resources throughout an organization. They consider factors such as workforce skills, supply and demand, as well as growth and attrition to be critical in this regard. This concept posits that talent management closely resembles HR planning, particularly when integrated with various organizational databases and systems. Lewis and Heckman's third perspective on talent management revolves around the acquisition, development, and rewarding of employee talent, focusing on a select group of high-potential individuals rather than the entire workforce. In defining talent, Morton offers the notion of talent as "individuals possessing the capacity to significantly impact the present and future performance of the company." Furthermore, an

organization's talent is characterized by key employees who exhibit outstanding performance and competence, capable of delivering a competitive advantage to the company. This perspective of talent management has proven its merit through measurable improvements in organizational performance, resulting in increased sales and profitability

LITERATURE REVIEW

Garry Dessler (2011) states that good talent management include the synchronization of several human resource tasks, such as workforce acquisition, assessment, development, and retention. In 2008, the Human Capital Institute conducted a study on current talent management techniques in five key areas: talent strategy, talent analytics, leadership and high-potential development, workforce planning, and talent acquisition. On the other hand, Armstrong (2006) provides a more detailed analysis of the many elements of talent management. This includes the strategy, policies, and programs for attracting and keeping talented individuals, conducting talent assessments, developing roles, managing relationships with talented individuals, managing performance, providing rewards, facilitating learning and development, and managing careers.

Beechler and Woodward (2009) suggested that organizations' strategies in the talent battle frequently fail when they take a too individualized approach. This is consistent with the findings of a research of analysts from the outset investments who continued to see their business performance decline even after transferring firms (Groysberg et al., 2004). The individualistic perspective sees talent as human capital and downplays the role that social and organizational circumstances play in achieving organizational performance. Through its evolution over the years, talent management has transitioned from an individualistic to a strategic approach, albeit it is unclear what the term "strategic" means in the context of talent management.

Collings and Mellahi (2009) stated that Strategic talent management is a methodical process that includes three important elements: identifying key roles that give a competitive advantage and greatly contribute to an organization's long-term success, building a pool of talented individuals with high potential and strong performance to fill these roles, and establishing an effective system to place capable individuals in these positions and ensure their ongoing dedication. This definition represents the current development of talent management concepts. The groundbreaking research conducted by Huselid et al. (2005) and Boudreau and Ramstad (2005) highlight the importance of clearly differentiating between different roles or functions inside companies. Significant focus is placed on crucial roles and outstanding individuals who have the capacity to greatly improve a company's competitive advantage. Strategic talent management differs from the conventional HR strategy by prioritizing company goals and objectives, as proposed by Cappelli (2009). The approach focuses on macro-level analysis, which deals with system-wide issues rather than micro-level study of individual talent. One core tenet of this strategic approach is that the effectiveness of a company's talent is primarily influenced by leadership, team composition, technology, internal networks, training, and the processes and systems they use. These structures and procedures are crucial for success for individuals who have been designated as high talents or talented folks.

Ringo et al. (2008) investigated six aspects of talent management within a developmental framework. This strategy involves the process of attracting and keeping skilled individuals, motivating and enhancing their abilities, organizing and overseeing their work, establishing connections and providing support, and initiating and maintaining long-term development. Ringo et al. (2008) found that implementing talent management approaches had a substantial positive impact on organizational performance. Different industries have different priorities when it comes to talent management. Industries that rely heavily on knowledge prioritize workforce connectivity and collaboration. Financial services firms focus more on hiring and firing, with less emphasis on employee growth or collaboration. Retailers prioritize talent strategy and use a range of talent management techniques.

Smith and Lubitsh (2007) concluded talent management practices in four global businesses. The study found that top organizations view talent management as a strategic priority and a long-term investment. They believe that talent management requires ongoing evaluation, improvement, and adaptation to meet changing needs and priorities.

DATA ANALYSIS

The survey included employees working in the management sector of the IT industry in Bangalore city, spanning many firms, forming the population of the study. The overall population consisted of 120 employees. However, the research employed a sample size of 120 employees. Due to the large population, an easy random sampling approach was used to simplify the selection of the sample. In order to achieve the research goals, a combination of primary data and secondary data sources was utilized. The primary method of data collecting involves distributing and administering surveys. Secondary sources, in this case, mostly included published textbooks, materials on examination malpractice, and websites. The secondary data sources were selected based on their easy accessibility and cost-efficiency. The study included both quantitative and qualitative data. The qualitative data attained from secondary sources was evaluated using content analysis and logical analysis approaches. To analyze the quantitative data, we calculated the frequency distribution and percentages to discover how the replies were distributed among the respondents. The data acquired in the field was inputted into the Statistical Package for Social Sciences (SPSS), enabling the compilation of descriptive statistics such as frequency tables, mean scores, and percentages, which were carefully analyzed and explained. The selected statistical method for data analysis was simple linear regression. The study utilized a statistical approach to reveal the relationship between talent management and organizational performance.

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Table: The relationship between talent management and organizational success is demonstrated using linear regression.

Variables	R-Square	β -Value	Model fit	P-Value
Role of Talent management				
Age of the Respondent		0.0043	0.455	0.455
Gender		0.455	0.455	0.455
On organizational performance	0.635	1.532	0.000	0.000

The table shows an R-square value of 63.2%, which means that 63.2% of the variation in the dependent variable, specifically the function of talent management, can be explained by the independent variable, organizational performance. Furthermore, the model fit value of 0.000 is statistically significant, indicating that the independent variable has a predictive impact on the dependent variable. The regression model's coefficient, which is 1.536, indicates the relationship between talent management and organizational performance. The study's results indicated a strong positive relationship between talent management and organizational performance (β -value=1.532, p-value=0.000). This suggests that there is a direct correlation between the improvement of people management and the enhancement of organizational performance, and vice versa.

CONCLUSION AND RECOMMENDATIONS

This study has specifically examined the influence of talent management on the overall efficiency and achievement of a business. Based on the aforementioned findings of the study, it is clear that talent management significantly influences organizational performance. This text discusses how modern corporations strive to enhance organizational efficiency in order to improve the performance and quality of organizations in today's business world. Ultimately, talent management must be prioritized in every firm in order to augment its performance. Based on the study's findings, the following recommendations can be provided and taken into account: IT companies should regularly update their policies, practices, rules, and regulations regarding the talent management system. This is necessary to establish an efficient method for retaining and improving the skills and abilities of employees within the organization. IT organizations must consistently invest in and enhance their talent pool. Talent management is a long-term and ongoing initiative that benefits both existing and future employees, as well as the company as a whole. The study acclaims that firms should offer tailored and nurturing work conditions for their employees, as highly skilled individuals make a substantial impact on enhancing organizational performance. Implementing such a strategy can effectively reduce the likelihood of employees being recruited by other firms.

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