

Talent Management Strategies and its impact on Employee retention: An Empirical Study

Dr. Pranjali Madhur

Professor & Director Quality
Universal AI University's School of Management
Karjat, District: Raigad

Dr. Divya J

Assistant Professor,
Dept of Management Studies
CDOE, Anna University
Chennai 600025

Dr. Javed Alam

Assistant Professor
Department of Management Studies
Madan Mohan Malaviya University of Technology, Gorakhpur

Dr. Jyoti Prakash

Assistant Professor
Department of management
School of Management Sciences, Lucknow

Abstract

In order to keep top talent in an organisation, talent management methods are crucial. Through a variety of activities, including career development programs, recognition systems, and chances for continuous learning, these techniques aim to find, develop, and keep skilled individuals. A feeling of purpose and belonging is created when organisational goals and personnel goals are in line through effective talent management. Organisations can cultivate greater job satisfaction and loyalty by supporting employees' professional development and offering clear career paths. Recognising and appreciating workers' contributions also raises spirits and promotes sustained dedication. Feeling appreciated and involved at work is largely dependent on open lines of communication and feedback loops. These tactics have a big effect on keeping employees. When workers perceive prospects for progress and feel encouraged, they are less inclined to look for work elsewhere. This lowers turnover costs while also guaranteeing that the company holds onto important expertise and experience, which eventually helps the company maintain long-term success. A sample of 276 was collected from employees working in different sector. The factors that identify Talent Management Strategies and its impact on Employee retention are Learning and Development, Performance Management, Employee Engagement & Recognition, and Succession Planning.

Keywords: Talent management, Career development, Recognition systems, Continuous learning, Job satisfaction, Employee retention, Communication, Organisational success.

Introduction

The use of talent management methods is crucial in guaranteeing employee retention, especially in the ever-changing and fiercely competitive Indian context. Effective personnel management techniques, such as "career development programs" and "learning opportunities," greatly increase employee engagement, which raises retention rates, assessed by Pandita and Ray (2018). Businesses that promote their employees' ongoing development foster a supportive and respected work environment. This promotes a strong feeling of loyalty and commitment in addition to matching employee aspirations with company objectives. Maintaining competitive advantage in India, where the labour market is changing quickly, requires holding onto top personnel. Employers may keep a trained and engaged staff by lowering turnover rates through talent

management techniques that place a high priority on employee training and development. Additionally, by fostering a healthy work environment that raises job satisfaction, these tactics help to retain employees over the long run.

In order to achieve effective employee retention in India, Narayanan et al. (2019) stressed the significance of a "integrative research framework" in talent management. This strategy entails a thorough comprehension of all the variables that affect retention, including organisational commitment, work satisfaction, and employee engagement. Organisations may establish a work environment that draws and keeps top talent by incorporating these components into a comprehensive talent management strategy. They contended that in order to guarantee that staff members perceive a direct link between their own development and the prosperity of the company, talent management ought to be coordinated with the overarching business plan. An integrative approach provides customised solutions to solve the complicated retention difficulties faced by India's diverse industries. This approach guarantees that staff members are actively engaged in the organization's long-term objectives in addition to being retained.

Organisations that use "structured talent management programs" have higher retention rates and perform better overall, according to Hongal and Kinange (2020). Some of these initiatives, such as "performance management systems," "employee recognition," and "succession planning," help to create a stable and driven staff. Such planned programs are essential for retaining key staff in India, where a shortage of expertise can be a major concern, particularly in specialised areas. They found that employees are more inclined to stick with a company if they believe their contributions are valued and that there are obvious prospects for promotion. This improves organisational performance by lowering turnover-related expenses and guaranteeing continuity in important functions. The report emphasises how crucial it is to match an organization's performance objectives with its talent management strategy in order to achieve long-term success in the Indian market.

Literature Review

A crucial component of people management involves coordinating personal career goals with company objectives, as this fosters a feeling of mission and community among staff members. "Talent management" also refers to possibilities for ongoing education and training, which enables staff members to advance their knowledge and remain competitive in a corporate climate that is changing quickly. Furthermore, it's critical to cultivate a culture of reward and recognition because it inspires workers and strengthens their sense of devotion to the company. The importance of job engagement as a moderating element in the relationship between talent management and employee performance was emphasised by Sopiah et al. (2020). As a result of enhanced performance brought about by efficient "talent management strategies," there is an increase in engagement levels and retention rates.

Effective "talent management" is essential for boosting an organization's "employer branding," which is critical for luring and keeping top people, claim Maurya and Agarwal (2018). Businesses can build a strong brand that attracts both present and future employees by investing in complete "talent management" activities like performance management systems, succession planning, and leadership development programs. This proactive strategy guarantees that the personnel stays engaged and motivated, which in turn leads to improved retention rates. It also helps to create a positive organisational image. A well-designed "talent management" plan might be the differentiator in keeping qualified workers in the Indian environment, where job hopping is widespread. This would lower turnover and promote long-term organisational success.

The implementation of Human Resource Management (HRM) methods is crucial in augmenting an organization's knowledge management capabilities, as this has a direct bearing on "talent management" results. Gope et al. (2018) emphasised that developing a strong "knowledge management capacity" requires implementing HRM practices including performance reviews, incentives programs, and training and development. This ability fosters an atmosphere that supports ongoing learning and development, which in turn improves the organization's capacity to manage and retain people. By keeping top people, these HRM approaches help organisations maintain a competitive edge in the knowledge-driven Indian IT business. HRM procedures that are strategically aligned with "talent management" goals make sure that workers feel appreciated and supported, which raises job satisfaction and lowers turnover. A culture of retention and organisational commitment can only be fostered by incorporating HRM techniques with "talent management" tactics.

Employee retention in India is greatly impacted by employee engagement, which is a major moderator in the relationship between "talent management" and turnover intention. Businesses that emphasise employee engagement through "talent management" practices have a higher chance of keeping their staff, according to Abdul Latif et al. (2019). Employees that are engaged show more loyalty to their company, report better job satisfaction, and are less inclined to look for other jobs. A supportive work environment, opportunity for career advancement, and acknowledging and rewarding employee contributions are just a few of the "talent management" strategies used to promote this engagement. Sustaining high levels of employee engagement through efficient "talent management" tactics is essential for lowering the intention of employee turnover in the highly competitive Indian employment market. Organisations may boost employee loyalty and retention rates by putting more of an emphasis on engagement, which will result in a more stable workforce.

"Inclusive talent development," according to Kaliannan et al. (2023), is a crucial talent management strategy that guarantees the development and retention of different talent inside organisations. This strategy entails giving every employee, regardless of experience, the chance to grow professionally and acquire new abilities. A larger talent pool may be accessed by businesses by emphasising inclusion, which is crucial given the heterogeneous makeup of the Indian workforce. Companies that place a high priority on inclusive talent development are more likely to retain top talent because their workers will feel appreciated and supported as they advance in their careers. This tactic not only raises employee satisfaction levels but also strengthens the organisational culture—a vital attribute in the rapidly changing Indian industry. In light of its effects on organisational attractiveness and staff retention in India, employer branding has become an essential part of talent management.

Effective human resource management (HRM) techniques are essential for employee retention. HRM procedures and their effect on "employee retention" were evaluated by Azeez (2017). This suggests that employee retention strategies including providing career development opportunities, acknowledging employees, and offering fair compensation are essential. HRM methods that support these principles are more likely to lead to higher retention rates in the Indian workforce, where career advancement and employment security are highly prized. They make the argument that businesses with employees' ongoing development at the centre of their operations have better retention rates. This is due to the fact that staff members are more inclined to stick with a company that encourages their professional development and gives them chances to progress in their positions. Consequently, in order for Indian organisations to retain a steady and dedicated staff, they must implement strong HRM procedures.

According to Maheshwari et al. (2017), HR practitioners were the ones who explored the significance of "employer branding" in terms of attracting and retaining talent. A powerful employer brand has the potential to differentiate an organisation from its competitors and entice a greater number of prospective candidates in India's highly competitive employment market, where brilliant individuals have a multitude of options to choose from. According to the premise, businesses that have a positive employer brand are perceived as desirable places of employment, and as a result, they have a direct influence on the decisions that employees make regarding whether or not to remain with the company. The importance of this cannot be overstated, particularly in instances where specific skills are in high demand. Investing in employer branding allows businesses in India to generate a favourable image that not only attracts top talent but also inspires loyalty among current employees. This image can help organisations in India reduce their employee turnover rates.

Objective

To identify "Talent Management Strategies and its impact on Employee retention"

Study's Methodology

276 respondents are considered for this study which was collected from employees working in different sector. Random sampling method was used to collect data and examined by "Explanatory Factor Analysis" for results.

Findings of the Study

Below table shows demographic details of participants it shows that male participants are 53.99%, and female participants are 46.01%. Looking at the age of the participants, 36.59% were between 25 to 30 years of age, 28.62% were between 30

to 35, and 34.79% were above 35 years of age. With regards to business sector of employees, 46.01% were from banking & service sector, 25% were from manufacturing sector, and 28.99% were from IT sector.

Details of Participants

Variable	Participants	% age
Gender of Participants		
Male	149	53.99%
Female	127	46.01%
Total	276	100
Age in years		
25 to 30	101	36.59%
30 to 35	79	28.62%
Above 35	96	34.79%
Total	276	100
Business sector		
Banking & Service sector	127	46.01%
Manufacturing sector	69	25.00%
IT sector	80	28.99%
Total	276	100

“Factor Analysis”

“KMO and Bartlett's Test”

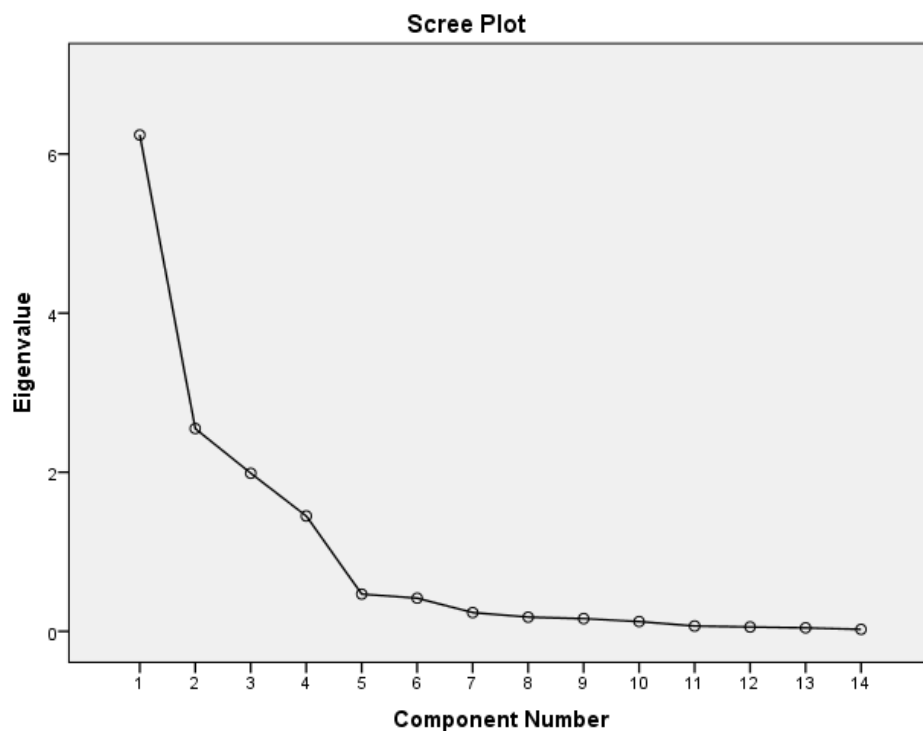
“Kaiser-Meyer-Olkin Measure of Sampling Adequacy”		.776
“Bartlett's Test of Sphericity”	“Approx. Chi-Square”	4677.967
	df	91
	Significance	.000

“KMO and Bartlett's Test”, value of KMO is .776

“Total Variance Explained”

“Component”	“Initial Eigenvalues”			“Rotation Sums of Squared Loadings”		
	“Total”	“% Of Variance”	“Cumulative %”	“Total”	“% Of Variance”	“Cumulative %”
1.	6.240	44.569	44.569	3.745	26.752	26.752
2.	2.549	18.208	62.777	3.678	26.275	53.027
3.	1.988	14.197	76.974	2.528	18.054	71.081
4.	1.450	10.360	87.333	2.275	16.253	87.333
5.	.468	3.345	90.679			
6.	.417	2.981	93.660			
7.	.236	1.687	95.347			
8.	.179	1.279	96.625			
9.	.160	1.142	97.768			
10.	.123	.877	98.645			
11.	.067	.479	99.125			
12.	.055	.391	99.515			
13.	.044	.311	99.826			
14.	.024	.174	100.000			

All the four factors are making contribution in explaining total 87.333% of variance. The variance explained by Learning and Development is 26.752%, Performance Management is 26.275%, Employee Engagement & Recognition is 18.054%, and Succession Planning is 16.253%.



ScreePlot

“Rotated Component Matrix”

S. No.	Statements	Factor Loading	Factor Reliability
	Learning and Development		.956
1.	Offer regular training opportunities to enhance employees' skills	.952	
2.	Keeps them up-to-date with industry trends	.894	
3.	Provide clear career paths and development opportunities, mentorship and leadership training	.876	
4.	Motivate employees to stay and grow with the company	.870	
	Performance Management		.967
1.	Structured performance management system includes regular feedback, and recognition	.958	
2.	Ensures that individual goals are aligned with organizational objectives	.923	
3.	Increases job satisfaction as employees see the impact of their work	.905	
4.	Help in creating a stable and driven staff	.905	
	Employee Engagement & Recognition		.882
1.	Establishes formal and informal recognition celebrating achievements, boost morale and loyalty	.911	
2.	Promoting work-life balance, providing opportunities for employees to voice their opinions	.852	
3.	Involving them in decision-making processes	.824	
	Succession Planning		.830
1.	Creating a succession plan help in identifying potential leaders	.927	
2.	Provides them training and experiences needed to step into key roles	.926	
3.	Encourage internal promotions and lateral moves to keep employees engaged	.642	

Factors and the associated variables

The first factor of the study is Learning and Development, it includes variables like Offer regular training opportunities to enhance employees' skills, keeps them up-to-date with industry trends, Provide clear career paths and development opportunities, mentorship and leadership training, and Motivate employees to stay and grow with the company. Performance Management is the second factor, its variables are Structured performance management system includes regular feedback, and recognition, ensures that individual goals are aligned with organizational objectives, increases job satisfaction as employees see the impact of their work, and help in creating a stable and driven staff. Third factor is Employee Engagement & Recognition, the variables it includes are Establishes formal and informal recognition celebrating achievements, boost morale and loyalty, promoting work-life balance, providing opportunities for employees to voice their opinions, and involving them in decision-making processes. Last and fourth factor is Succession Planning, the variables that comes under this factor are Creating a succession plan help in identifying potential leaders, provides them training and experiences needed to step into key roles, and encourage internal promotions and lateral moves to keep employees engaged.

“Reliability Statistics”

“Cronbach's Alpha”	“Number of Items”
.895	14

Total reliability of 14 items that includes variables for Talent Management Strategies and its impact on Employee retention is 0.895

Conclusion

To summarise, the implementation of efficient talent management methods is an essential component in the process of boosting staff retention inside organisations. Companies are able to establish a work environment that encourages employee engagement, contentment, and loyalty by matching their personnel management procedures with the aims of the organisation. A positive workplace culture that values and supports employees can be achieved by the implementation of strategies such as providing chances for continual learning and development, recognising and rewarding those who do well, and encouraging a healthy balance between work and personal life. Employees are better able to perceive a future inside the organisation when there is a strong emphasis placed on career progression and clear communication regarding growth paths. This helps to reduce the turnover rate significantly. When businesses make investments in locating and cultivating outstanding talent, they not only keep valuable people but also cultivate a workforce that is robust and able to adjust to the shifting demands of the business environment. At the end of the day, the strategic management of personnel is vital for preserving a competitive advantage, assuring success over the long term, and minimising the expenses associated with excessive staff turnover. The factors that identify Talent Management Strategies and its impact on Employee retention are Learning and Development, Performance Management, Employee Engagement & Recognition, and Succession Planning.

References

1. Pandita, D., & Ray, S. (2018). Talent management and employee engagement—a meta-analysis of their impact on talent retention. *Industrial and Commercial Training*, 50(4), 185-199.
2. Narayanan, A., Rajithakumar, S., & Menon, M. (2019). Talent management and employee retention: An integrative research framework. *Human Resource Development Review*, 18(2), 228-247.
3. Hongal, P., & Kinange, U. (2020). A study on talent management and its impact on organization performance-an empirical review. *International Journal of Engineering and Management Research*, 10.
4. Maurya, K. K., & Agarwal, M. (2018). Organisational talent management and perceived employer branding. *International Journal of Organizational Analysis*, 26(2), 312-330.
5. Gope, S., Elia, G., & Passiante, G. (2018). The effect of HRM practices on knowledge management capacity: a comparative study in Indian IT industry. *Journal of Knowledge Management*, 22(3), 649-677.
6. Abdul Latif, F. D., Saraih, U. N., & Harada, Y. (2019). Talent management and turnover intention: the moderating effect of employee engagement. *Journal of Advanced Research in Business, Marketing, and Supply Chain Management*, 3(1), 10-17.
7. Kaliannan, M., Darmalinggam, D., Dorasamy, M., & Abraham, M. (2023). Inclusive talent development as a key talent management approach: A systematic literature review. *Human Resource Management Review*, 33(1), 100926.
8. Maheshwari, V., Gunesh, P., Lodorfos, G., & Konstantopoulou, A. (2017). Exploring HR practitioners' perspective on employer branding and its role in organisational attractiveness and talent management. *International Journal of Organizational Analysis*, 25(5), 742-761.
9. Azeez, S. (2017). Human resource management practices and employee retention: A review of literature. *Journal of Economics, Management and Trade*, 18(2), 1-10.
10. Sopiah, S., Kurniawan, D. T., Nora, E., & Narmaditya, B. S. (2020). Does talent management affect employee performance?: The moderating role of work engagement. *The Journal of Asian Finance, Economics and Business*, 7(7), 335-341.