

A Study on Relationship Between Talent Management and Employee Retention In selected IT Company

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Abstract : Companies are under great pressure to keep costs down during difficult times. At the same time, globalized markets respond so quickly that they need to cope with rapid changes. and continue to strive for long-term business goals. Any organization's ability to improve is determined on its talent. Any organization's most difficult problem is talent management. Finding, attracting, developing, and maintaining the appropriate talent is a key management task, and once the right talent is found, the next step is to keep it.

INTRODUCTION

Employee retention requires an understanding of their intrinsic motivation. Many organisations are unable to identify motivators. Individuals differ for this reason. A lot in this regard According to Isukapally (2006), a business should make an attempt. Conduct research to establish the non-monetary interests and preferences of its important stakeholders employees, and then try to implement these desires. In this context, businesses To keep the most effective, new ways must be developed. Higher salary from a new firm is one of the key reasons why people quit their current employer, but talent management in the form of personal development is another. opportunity for individuals to put their abilities to use, and solid career opportunities crucial factors that influence a worker's decision to stay. Tanton (2007) mentions a few of them. Perceptions are among the factors that contribute to a persistent process of job dissatisfaction. Employees feeling overworked, heavy responsibilities, and concerns about employment inflexibility and control present management may be unable to properly lead the firm, and a lack of resources Work that is both demanding and undervalued, as well as a bad work-life balance.

Objective of the study

- To properly utilize and manage the talent of the employees in the company.
- To increase employee retention and reduce attrition rate.
- To cut cost in unnecessary hiring attrition.
- To understand the relationship between talent management and employee retention.

Statement of the Problem

- Employee turnover is a very big issue in recent trends as we are facing the great resignation and re-shuffle due to pandemic impact.

List of organization studied

- UCFER
- TCS
- BOSCH

SWOT ANALYSIS OF IT INDUSTRY

Strengths

- Wide Range of Services
- Broad Network Globally
- Skilled and Experienced Management Team

Weakness

- Inability to Provide Adequate Returns to its Shareholders
- Legal Battles

Opportunities

- Growth in Service Market Globally
- Cloud-Based Solutions

Threats

- Domestic and International Competitors
- Changing Technological Trends
- Retaining a Sustainable Workforce

PESTEL ANALYSIS

POLITICAL

- Government preferred firm
- The Brexit impact

ECONOMIC

- Strong market position
- The SEZ benefit

SOCIAL

- Population composition
- Class division in society

TECHNOLOGICAL

- Dynamically changing pursuits of technology and innovations like AI, cloud computing, etc.

LEGAL

- Previous history of data stealth
- Workers held responsible for copying data

ENVIRONMENTAL

- The introduction of financial inclusion network

I. REVIEW OF LITERATURE

Cobb (2008), talent management is a multi-faceted notion championed by HR practitioners, driven by the war for talent and built on strategic HRM foundation. It can be considered as a source of competitive advantage, a well-integrated and enterprise-wide collection of sophisticated, technology-enabled, scientific proof HRM policies and practises, and an opportunity to elevate HR practitioners to strategic partners. In a very practical sense, talent management may be defined as the business process of recognising and developing an individual's specific skills in the most efficient way possible to help a company achieve its business goals.

Talent management, according to **Barlow (2006) and Hughes (2008)**, is both a philosophy and a practise. They claim that it is both a professed and implemented commitment among the highest levels of government. All those in management and supervisory positions, at all levels and throughout the organisation, to HRM should be approached in an integrated, strategic, and technology-enabled manner, with a focus on concentrate on human resource strategy, including hiring, retaining, and developing employees Practices for succession planning, ideally for all employees, but particularly for those identified as having high potential.in important positions or with potential This dedication arises in part from the commonly held notion and stated awareness that an organization's human resources are its competitive edge.

Gandz (2006) proposes a talent management framework he calls "Talent Development Architecture" for talent development. He claims that HR professionals and executive management's ultimate goal is to build talent-rich firms by implementing "zero-talent outages," "succession not replacement," and "becoming a talent magnet" (Gandz, 2006). In his study, Gandz (2006) focuses on talent development, focusing on talent development (as opposed to talent recruiting), retention, and reward.

Building on **Barlow(2006)** focus on the succession aspect of talent management, successful succession planning integrates talent management with organisational strategy planning and anticipates management changes. According to the article, one of the major advantages of this strategy is that it benefits the entire organisation, not just brilliant employees, because effective succession planning aids in employee retention and improves organisational performance. Employers defining abilities and attributes required for employees to advance to more senior levels and expressing these needs to the entire workforce give momentum to the achievement of the two previous listed organisational goals.

Employee retention refers to the policies and procedures that allow employees to stay with an organization for a longer period of time. Employee retention (ER) is defined by **Sandhya and Kumar (2011)** as a process in which employees are encouraged to stay with the company for as long as possible or until the project is completed. When a deliberate effort is made to build and cultivate an atmosphere that encourages and supports employees to stay employed by maintaining strategies and practises that fulfil their unique requirements, an Employee Retention Program (ERP) is said to be effective.

According to **Buckingham and Vosbrgh (2001)**, a business is utterly at a loss once personnel have completed their training. Employee retention refers to the many steps done to ensure that a person stays with a company for as long as possible. According to PWC (2005), firms that want to continue growing must prioritise key employee retention as the most important element to consider in the years ahead. Attracting and retaining critical talent is the top concern for human resources departments in 21st-century firms. Furthermore, Perrin (2004) claims that talent is the most important aspect that could influence the future effectiveness of businesses.

Losing employees, according to **Herman and Gioia-Herman (2001)**, costs a business both directly and indirectly since it increases workforce instability, lowers productive efficiency, and lowers Customers are lost and employee morale is low as a result of ineffectiveness. Direct costs can account for up to 60% of an employee's income, whereas indirect costs are far lower.

According to **Curtis and Wright (2001)**,high employee turnover has negative consequences for businesses, such as decreased quality and productivity. Customer service leads to a loss of competitive advantage and, as a result, a reduction in market share. Company expansion or, at the absolute least, a decrease in business activity Wright and Curtis (2001) also define "commitment" and explain how keeping staff might be difficult. In an organisation, there is a fast route to commitment. Organizational management, according to them, should be aware of the importance of staff retention and commitment, as well as how to achieve it.

- The organisational fit idea, according to Brown (1969), Kidron (1978), and Steers (1997), identifies confluent aims and recognises employee and organisation value as a key part of affective commitment.
- The notion of reasoned action, according to Fishbein and Ajzen (1975), is at the heart of both the employee and customer relationships between satisfaction and behaviour.
- Employees that are satisfied are more likely to stay with their company, resulting in a lower employee turnover rate (Mobley et al., 1979).

- According to studies, retention is influenced by a number of critical aspects that must be handled in concert: corporate culture, strategy, pay and benefits philosophy, and career development systems (**Fitzenz 1990**)
- There is no shortage of options for a gifted individual. Many organisations are looking for people with these skills. If a person is dissatisfied with his current job, he may seek out a more suited one. In today's economy, it is critical for businesses to keep their staff. It could be for personal or professional reasons (**Fombrun, &Shanley, 1990**).
- **Fitzenz (1990)** observed that there is no single factor that influences employee retention that needs to be managed consistently, such as remuneration and rewards, job security, training and development, supervisor support culture, work environment, and organisational justice. As a result, the company employs a wide range of human resource management aspects that influence employee commitment and retention.
- According to **Morgan and Hunt's (1994)** research on marketing channels, firms frequently look beyond the concept of satisfaction to establish trust and loyalty. Ensure that their staff have long-term ties with them. Furthermore, this recommendation is based on the idea that once trust has been established in a relationship, the likelihood of either Due to significant termination fees, the likelihood of either partner quitting the relationship reduces.
- According to previous studies, a good recruitment strategy is the key to staff retention. retaining (**Hascall, Hopkins and Hollman 1995**). The recruiter must be given realistic expectations. Employee turnover is caused by unclear and unrealistic expectations in the workplace. Employee retention is heavily influenced by organisational culture.
- According to **Heskett et al. (1994) and Schneider and Bowen (1999)**, service suppliers may be unable to retain even satisfied staff in some instances. As a result, satisfaction alone may not be sufficient to sustain long-term employee loyalty to a company.
- The corporate culture, according to **Joan and Harris (1999)**, is more significant than the job itself. When it comes to recruiting, the culture must be a great fit for the personnel, or else many may depart due to a cultural mismatch. Employee retention experts consider maintaining a healthy psychological contract to be a vital strategy.
- According to **Rousseau (1995)**, it is critical to manage employee expectations in order for retention measures to be effective. Employee subjective interpretations and evaluations of inducements, as well as how they affect their intents to stay, are the focus of the psychological contract. Organizations use fostering and cultivating employee commitment as a strategy for retaining their valuable human resource.
- According to **Cable and Judge (1997)**, increasing the alignment of employee values and corporate culture should be part of the personnel selection process.

II. RESEARCH METHODOLOGY

Source of data- The data collected for the analysis is through primary data.

Sample size- The sample size for the research is taken as 165.

Data Collection method- Questionnaire

Tools for analysis :

Excel , SPSS

Sample Method :

Simple random sampling

Research Objective

To determine the relationship between talent management and employee retention in IT sector.

RESEARCH DESIGN

A Research design is purely and simply the framework or plan for the study that guides the collection of the data. It is used to fulfil the research objective and answering questions. "A research design is the arrangement of conditions of collection and analysis of data in a matter that aims to combine relevance to the research purpose with economy in procedure".

Descriptive Research Design:

Descriptive research describes a population, situation, or phenomenon under investigation. Instead of answering the why, it focuses on the how, what, when, and where questions of a research problem.

This is primarily due to the fact that before looking into why a research problem exists in the first place, it is essential to have a solid understanding of what it is about.

III. CALCULATION

REGRESSION TEST

Regression analysis is a statistical method for analyzing and understanding the relationship between two or more variables. The method used to perform regression analysis aids in determining which elements are relevant, which can be ignored, and how they interact.

We must understand the following terms in order for regression analysis to be an effective method:

The dependent variable is the one that we're trying to figure out or predict.

Independent Variables: These are variables that have an impact on the analysis or target variable and offer us with information about the variables' relationships with the target variable.

MULTIPLE LINEAR REGRESSION:

$$y_i = \beta_0 + \beta_1 x_{i1} + \beta_2 x_{i2} + \dots + \beta_p x_{ip} + \epsilon_i \text{ for } i = 1, 2, \dots, n.$$

where

- y_i is the dependent or predicted variable

- β_0 is the y-intercept, i.e., the value of y when both x_1 and x_2 are 0.
- β_1 and β_2 are the regression coefficients representing the change in y relative to a one-unit change in x_1 and x_2 , respectively.
- β_p is the slope coefficient for each independent variable
- ϵ is the model's random error (residual) term.

ONE WAY ANOVA TEST:

When you have data on one categorical independent variable and one quantitative dependent variable, use a one-way ANOVA. At least three levels should be present in the independent variable (i.e. at least three different groups or categories).

The dependent variable changes based on the magnitude of the independent variable, according to ANOVA.

The null hypothesis (H_0) of ANOVA is that there is no difference among group means.

The alternate hypothesis (H_a) is that at least one group differs significantly from the overall mean of the dependent variable.

F = MSB/MSW

Where

- F = ANOVA coefficient
- MSB = Mean sum of squares between the groups
- MSW = Mean sum of squares within the groups

$$MSB = \frac{SSB}{df_B} \quad \text{and} \quad MSW = \frac{SSW}{df_W}$$

Now,

$$SSB = \sum_{j=1}^k n_j (\bar{x}_j - \bar{x})^2 \quad \text{and} \quad SSW = \sum_{j=1}^k \sum_{i=1}^{n_j} (x_{ij} - \bar{x}_j)^2$$

$$df_B = k - 1 \quad \text{and} \quad df_W = N - k$$

Where

- SSB = Sum of squares between the groups
- SSW = Sum of squares within the groups
- df = Degrees of freedom
- k = The number of groups
- N = Total number of observations across all groups.

Questionnaire :

- Name of the respondent
- Name of the institution
- Gender
- Respondent has been with the institution for the last how many years
- Nature of the institution
- How many no of staffs in the institution ?

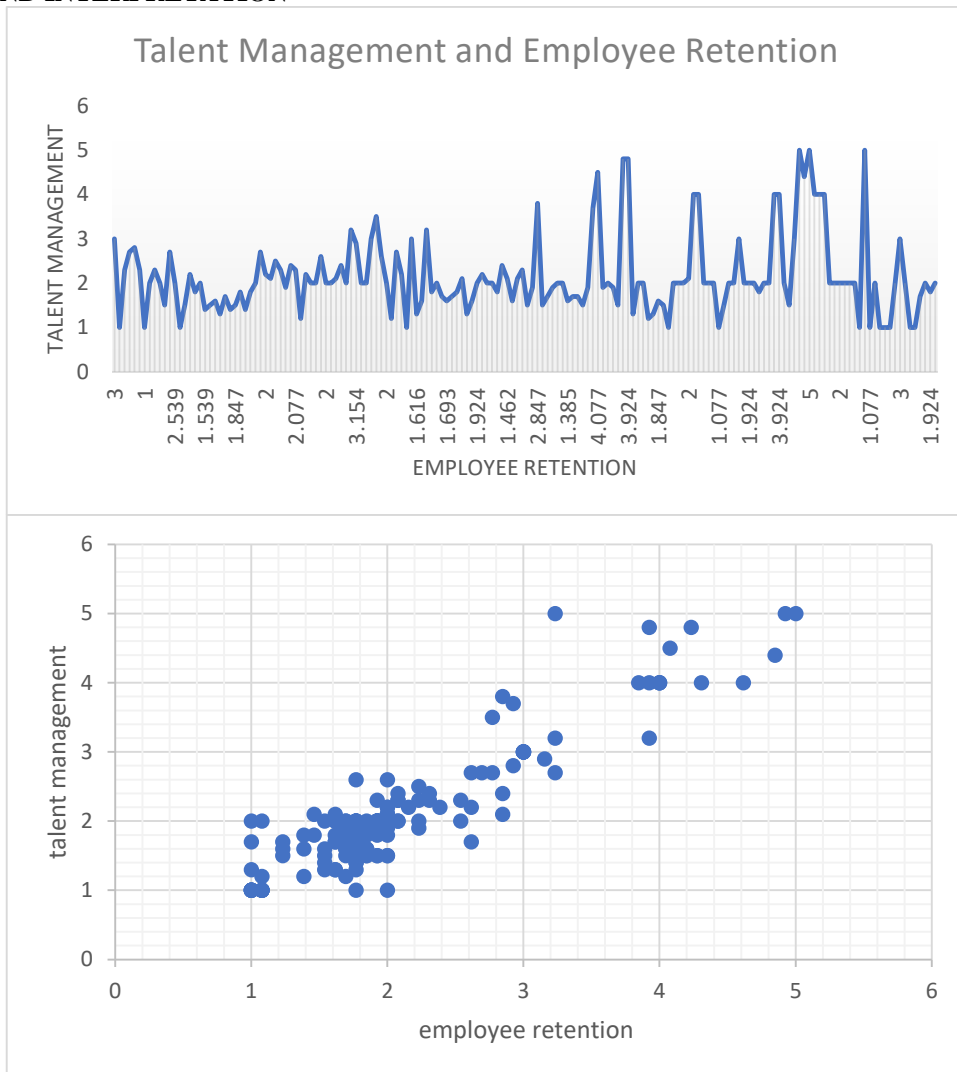
EMPLOYEE RETENTION

- The supervisors have the skills to effectively coach, motivate, empower, communicate, delegate and represent the company in the right way
- Staff appraisals are conducted at least once a year
- Overall staffs feel that appraisal process and procedures are fair
- Junior staff have a chance to appraise the performance of their managers/ supervisors or at least give feedback on the same, in a constructive way
- Salary structure do exist, are clearly spelt out and all staff do know them
- Employees are rewarded based on their performance
- Does outstanding employees receive special mention
- Does outstanding employees receive financial awards periodically
- The organisation has clear cut policies and procedures that are applied fairly and consistently across the organisation
- My organisation has flexible work system
- There exists fairly good work-life balance in the institution
- Jobs are clearly spelt out to avoid confusion and duplication of duties
- Extended working hours are duly compensated by the institution by way of transport home, meals, leave days earned or monetarily, whichever is applicable

TALENT MANAGEMENT

- The institution has a way to help identify employee’s career goals and help them meet those within the organization through training and on job experience
- Employees receive constant feedback on how they are progressing on their career path
- There is training, both internal and external, to develop and/or motivate staff
- Promotions are based solely on employees ability
- Job enrichment is one way employed to ensure development
- Vacancies are filled by first considering internal staff, and only outsource if there is no suitable person in the organisation
- Trainings are based on training need analysis
- The institutions endeavours to respond to training needs that have been identified
- Employees in need of specialized training are duly considered
- Selection for training programmes is based on a well-established criteria

IV. ANALYSIS AND INTERPRETATION



SUMMARY OUTPUT

Regression Statistics	
Multiple R	0.912911117
R Square	0.833406707
Adjusted R Square	0.832378354
Standard Error	0.341545407
Observations	164

ANOVA					
	df	SS	MS	F	Significance F
Regression	1	94.53908458	94.53908	810.4281	6.16E-65
Residual	162	18.89782895	0.116653		
Total	163	113.4369135			

	Coefficients	Standard Error	t Stat	P-value	Lower 95%	Upper 95%	Lower 95.0%	Upper 95.0%
Intercept	0.256884093	0.070778488	3.629409	0.00038	0.117116695	0.39665149	0.117116695	0.39665149
X Variable 1	0.868586858	0.030510969	28.46802	6.16E-65	0.808336365	0.92883735	0.808336365	0.92883735

Correlation effect – positive

	Column 1	Column 2
Column 1	1	
Column 2	0.912911	1

INTERPRETATION

- Total respondents = 164
- NUMBER OF MALE = 98 (59.8%)
- NUMBER OF FEMALE =66 (40.2%)
- Talent Management (Independent Variable) Employee Retention (Dependent Variable) which results in R square value = 83.3%
- Talent Management influences Employee Retention
- Significance F value = 0.00000616
- Standard error = 0.3415
- P value = 0.00038
- Therefore 1&2 is positively correlated and has a positive slope

CONCLUSION

Hence there is a positive relationship btw talent management and employee retention, the company can concentrate on an effective and improving career plan for such employees. The company can go for an excellent succession planning for filling up the future top level management roles. The company can review the package of the employees.

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