

**A Study of Talent Management Practices and its Impact on
Organizational Performance of Indian Corporate in Uttar Pradesh**

ABSTRACT

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ABSTRACT

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Though the idea of developing Talent is not new; the crisis for talented employees has hit the corporate world today due to changing paradigms of workforce. Since today's generation are not much concerned with relocation and are very flexible towards work, it has become crucial to maintain and retain the talent by the HR managers and executives. This has raised a cold "war of Talents" between the organizations so as to distinguish themselves from each other and raising bars in the market. The need is of framing and executing effective Talent Management practices.

The present study was undertaken to understand the factors which can make the Talent Management practices more efficient. An extensive literature review was conducted so as to study the explorations done in the same context. The analysis of the literature review revealed that the organizations are facing many challenges in order to retain the best talent in the workforce. These challenges have added to the pressure that the overall organizational performance has to be better than the rest. Further the literature review showed the diverse opinions of the researchers on Talent Management and its necessities. But only a few of these opinions were supported empirically. Also, one of the unexplored areas is that the basic components that form the talent management system for employees in the organization were not well-discussed. The studies have not been able to study the challenges that each component holds and the need of addressing those challenges for employee engagement and employee satisfaction. The present study gained direction from the literature gaps, and thus, aims to explore the need of existing Talent practices along with their effectiveness. Also, the study will head towards suggesting a Talent-based structure for employees to address the challenges of talent management practices.

The aim of this study is to understand the impact of Talent Management practices on the organizational performance. It studies the process of talent management followed by the organizations so as to retain the talent. It deals with different challenges that

the organizations face while framing talent management strategies and practices, and the influence of demographics and different retention strategies practiced by the organizations. The study also carried out the relationship between Talent Management and overall performance of the organization. Further, it also suggested certain ways by which organizations can increase the effectiveness of talent management practices.

The study also presented the challenges that organizations face while framing strategies for Talent Management practices. Learning about these challenges, the organizations need to bring a conceptual framework for providing the solutions and developing strong talent management strategies. These strategies should be such made that they cover all the aspects that the Talent Management require. Here, the aspects refer to attracting, training, developing, and retaining the best talent for the right position who could possibly work at the right time. For overcoming these challenges, various retention strategies were proposed by the researcher.

Objectives: The purpose of the research is to study impact of vital Talent Management practices on performance of organizations. The objectives of the study are:

- To study the process and various challenges of Talent Management.
- To study the ways to retain the best Talent.
- To study association between age, gender, experience of employees and their satisfaction of Talent Management practices.
- To study the influence of age, gender, experience of employees and their various interactions on Talent Management practices and its dimensions separately.
- To study the correlation between Talent Management practices and financial performance of business organizations.
- To obtain the best possible suggestion in order to increase the effectiveness of Talent Management practices.

Research Methodology: Methodology consists of the research design in terms of sample design, observational design and statistical design. Research Design can be understood in the following heads:

1. Sampling and data collection technique:

- a) Sampling Technique: Convenience and Purposive Sampling used due to non availability of the exact sampling frame and other research limitations
- b) Sample size: A total of 351 responses were collected. After the initial processing and data cleaning only 312 responses were found complete and considered fit for further analysis.
- c) Primary Data: Primary data is collected through survey of representatives including senior management personnel, HR managers, HR executives, HR experts and other employees of the selected companies based in Uttar Pradesh and the tool employed to collect the data is structured questionnaire administered through both offline and online mode.
- d) Secondary Data: Archival records of the companies, reports and publications, journals and books

2. Questionnaire or Survey Design: The data is collected through structured questionnaire. It contained two sections; the first section captured the demographic details of the respondent whereas the second section contained the psychographic statements. The demographic details recorded are gender, age, experience and designation of the respondents. The psychographic statements measured the talent management practices followed by the organizations along with their financial and non financial performance.

3. Measurement: Likert Scale was employed to measure psychographic variables and research instrument was developed based on literature review.

4. Estimation and Hypothesis Testing Approaches: Pearson Moment Correlation and Multiple Linear Regression were employed to find relation and impact of talent management practices on organizational performance.

5. Other research Tools: Chi Square Test of Association, Exploratory Factor Analysis, Independent Samples t-Test and Analysis of Variance or ANOVA.

Findings: Findings are arranged as per the objectives. The findings of objectives 1 and 2 are theoretical in nature where as objective 3, 4 and 5 are analytical in nature. Key findings are presented here:

Findings of objective 1: Study of Talent Management Process and various Challenges

Talent Management Process adopted by organizations varies among different sectors and different sizes of organizations. Previous researches done suggest that low employee turnover and high employee engagement could be achieved by implemented strategic talent management process in the organization. As Talent Management process helps in achieving improved organizational performance by sourcing better person, providing better understanding among employees and management, retaining talented employees within organization, recognizing the potential and providing appropriate development opportunities to existing employees. Many challenges while implementing the process of talent management came into light during the study. Retaining Talented Employees in the Organization was the toughest challenge faced by the organizations while Setting Standards for Ethical Behavior, Increasing Transparency, Reducing Complexities and Developing a Culture of Reward and Appreciation was found to be least important challenge faced by the organizations.

Findings of objective 2: Ways to retain the best Talent

Different retention strategies were considered for the study for retaining the best talent in the organization. And it was concluded that Enriching Work Experience is the most preferred retention strategy followed by strategy of Provision of Comfortable & Safe Work Environment. Robust & Scalable HR Processes was found to be third important in line followed by the strategy of Augmenting Workforce Competency by Imparting New Skill Sets & Revitalizing Existing Ones. Real Time Coordination and HR Service Delivery was found to be least effective retention strategy as perceived by managers.

Findings of objective 3: Study of association between age, gender, experience of employees and their satisfaction of Talent Management practices.

- Age is significantly associated with response towards Talent Management Practices followed by the organizations
- Gender is significantly associated with response towards Talent Management Practices followed by the organizations
- Experience is significantly associated with response towards Talent Management Practices followed by the organizations

Findings of Objective 4: Study of the influence of age, gender, experience of employees and their various interactions on Talent Management practices and its dimensions separately.

- The Talent Management of males is more effective than that of females in the organizations.
- Talent management for younger age group is more effective than the talent management of both middle and mature age groups which are equally effective.
- The Talent Management of low and high experience groups is equally effective and better than those having medium level of experience
- The Talent Management of males of younger age is more effective than that of females of that group. Whereas the Talent Management for males and females in mature age group is equally effective, while no conclusions can be drawn for mature age group.
- The Talent Management of males of low experience is more effective than that of females of that group. Whereas the Talent Management of male and female in medium and high experience group are equally effective.
- The Talent Management practices followed by the organizations **do not** depend on age differently for different categories of experience, and vice versa.
- The two-way **interaction** between demographic variables is **not different** across levels of a third demographic variable as far as Talent Management practices followed by the organizations are concerned.

Findings of objective 5: Study on the correlation between Talent Management practices and financial performance of business organizations.

- It may be inferred that except Learning and High Potential Development (LDP) and Workforce Planning and Talent Acquisition (WPTA), all other talent management practices factors were significantly correlated with each other.
- Most importantly Organization Performance (OP) was found to be significantly correlated with all the other extracted Talent Management Practices (TMP) factors.
- It may be concluded that Compensation and Benefit (CB) is the most important factor for performance of the organization among considered factors.
- Organizational Culture and Policies was the second most important factor affecting OP.
- Capability Development and Performance, and Relationship with Employees were the having equal and third strongest effect on OP.
- The weakest though significant effect on OP among the observed factors was that of Workforce Planning and Talent Acquisition.
- Learning & Potential Development and Retention Strategy were not having any significant impact on OP.

Through this study, the results show that the basic demographic factors that are gender and age are seen to be closely associated with Talent Management practices. Though some findings achieved through the study conducted goes contradictory to the findings mentioned in literature review. But most of them supports the literature and add value to it.

Implications: As per the findings, it has been seen that different organizations follow different patterns of forming strategies for executing talent management practices whereas there is a need of uniform practices to be followed. It is evident that to retain the competencies of the workforce by imparting new skills and polishing the old ones did not work much for the organizations. But, at the same time, it has to be understood that in the fast-changing world with growing technology, it has become essential for the employees to be updated with the business environment. With great

exposure to the outside environment, the competencies of employees can be enhanced. Further, Retaining Talented Employees in the Organization the toughest challenge faced by the organizations. With rising gender equality, it is necessary that organizations give equal prominence to male as well as female employees. Further, equal opportunities should be given to the employees so as to analyze their talent and competencies, irrespective of age. Finally, experience of employees does matter when it comes to the polishing and development of their talent. The organizations should take steps to get the right compensation and fringe benefits in accordance with the talent of employees. But, at the same time, the gap between the compensation should not be widened that it causes discrimination within the organization. The study reveals that Learning & Potential Development and Retention Strategy were not having any significant impact on organizational performance which contradicts previous studies as mentioned in literature review.

Limitations and Future Directions: The study has been confined to Uttar Pradesh but it is likely that employees all over the world go through the same phase and experience when it comes to the perspective towards Talent Management practices. Since the population is too huge, it is practically not possible to cover each and every unit. Therefore, the concept of sampling would be used to form a group that would be researched upon, and results generalized thereof. Researchers may opt for random sampling to have more valid results. Further, research may include more cities of India for the study. Different forms of Talent Management can be studied in different size of organizations. More innovative models of Talent Management practices can be studied by researchers in future studies.

Conclusion: In the globalized and highly competitive environment, overcoming the concept of talent paradox may seem difficult but not impossible. The current requirement is of an integrated and strategic approach that can help the Talent Management at all stages, right from planning to outsourcing and further to training and retaining the right talent. The implementation of good Talent Management practices helps any organization to overcome the fear of scarcity of Talent at any stage. Also, the right implementation will help in delivering good financial results which will be further beneficial to the stakeholders of the organization.