Impact Of Talent Management Strategies For Employee Retention In Indian IT Sector.

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Abstract

Background: In the Delhi-NCR region, staff retention is dropping in the IT sector. Talent management techniques are proposed in this study as elements that boost employee retention in the IT industry.

Objective: Understanding the notion of talent management, the effects of recruiting and selecting candidates, coaching and mentoring, and compensation on employees' performance, are the goals of this study. The study used a descriptive research methodology. Employees in the Delhi NCR region's IT sector made up the sample of respondents.

Results: The study discovered that employee retention was positively and significantly impacted by talent management techniques.

Conclusions: The conclusion 285 respondents were chosen from the IT industry employees using basic random sample methods and stratified sampling methods. The structured questionnaire was made for the analysis. Descriptive statistics, correlation and regression analyses were used for the data analysis. Findings of this study was that talent management practices are important factors for the consideration of employee retention for organization effectiveness and productivity.

INTRODUCTION;

The retention of personnel within the company is greatly aided by talent management. It is one of the internal variables that play a major role in the company's success. According to Julia Christensen (2008), talent management is crucial for maintaining a balance between employees' talents and those of the firm. Paul R. Sparrow (2015) notes in his study that as people are the firm's most important resource for efficient operation, the organisation must raise employee performance. When a corporation reaches the benchmark it has set, the performance of its employees can be seen. Therefore, in this competitive world, employee performance must increase if the organisation is to achieve its goals. He disclosed in Deborah R. Philips, et al. (2009).

The impact of talent management on Valencia employees' performance was not found to be very significant, according to Roberto Luna Arocas et al. (2019). His study (Spain). More efforts must be made to keep the talent within the organisation. The primary tool used by the corporation to identify and improve employees' knowledge, abilities, and skills in order to increase employee performance in order to meet organisational objectives is talent management.

<table>
<thead>
<tr>
<th>Talent Management Process</th>
<th>Organization achievements</th>
<th>Employee</th>
</tr>
</thead>
<tbody>
<tr>
<td>Recruitment</td>
<td>Right employees</td>
<td></td>
</tr>
<tr>
<td>Performance management</td>
<td>Performing the right job</td>
<td></td>
</tr>
<tr>
<td>Succession planning</td>
<td>Right time</td>
<td></td>
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<tr>
<td>Training and development</td>
<td>Right place</td>
<td></td>
</tr>
<tr>
<td>Retention</td>
<td>Right skills and ability</td>
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</table>


Review of the Literature on Talent Management and Worker Performance Employees with higher talent are viewed with greater respect than their coworkers. Their unique perspectives and specialised knowledge help the organisation achieve its objectives. According to Cappelli and Keller (2014), talent management is the process of creating policies and procedures to attract, develop, deploy, and keep talent in an organisation in order to achieve its long-term objectives. As stated by (Muriithi & Makau, 2017), (Muriithi & Makau, 2017) state Additionally, (Gupta & Aggarwal, 2012)) explain in their study that managing personnel effectively and efficiently is a major problem in the modern day in order to remain competitive. Additionally, an organisation can achieve its goals through talent management (Gupta & Aggarwal, 2012). Organizations must implement effective talent management strategies to compete in the current business environment.
These strategies include attracting talent through recruitment and selection, developing talented employees to meet current and future skill requirements, and managing and retaining employees for the competition (Stahl et al., 2007). The performance of brilliant personnel is possible in every firm to achieve the competitive gain. Employee output is a person's output that contributes to the organization's goal being achieved (Sheikh, Tunio, & Shah, 2017). According to (Ndola, Kingi, & Ibua, 2017), talent management strategies look at employees' performance. Talent management techniques, such as career development, work-life balance, and talent development, have a favourable impact on employees' performance. (Dixit & Dean, 2018) investigates the relationship between talent management techniques and employees' performance and job satisfaction. According to (Mangusho, Murei, & Nelima, 2015), talent management strategies have an effect on employees' performance Employee Retention Every firm in the modern world places a high priority on employee retention. Retention plays a crucial part in preserving a competitive environment (De Long & Davenport, 2003; Schramm, 2006). According to (Kaliprasad, 2006), HR provides a variety of options and chances for luring and keeping talent in the company. When companies give a variety of incentives, such as pay and benefits, balance work and personal obligations, and foster a positive workplace culture, retention rates rise (Messmer, 2006).

Employee retention has been the subject of innumerable publications, seminars, and research projects over the past few years. Each study focuses on the reasons why employees leave the company (Frank et al., 2004). Although the studies' explanations vary, the results will be the same. They are producing the same outcomes. Employees leave their current employers for a variety of reasons, including not receiving pay and benefits, a poor work environment, a poor work culture, poor relationships with their superiors, a lack of work-life balance, a lack of interest in their jobs, a lack of career opportunities, and unfulfilled trust in senior management. Additionally, they have the option to transfer to another company where they will receive full benefits and prospects for advancement (Kaliprasad).

When there are problems with retaining and attracting personnel, a senior team member visits HR for advice (Patel, 2002). HR offers professional opportunities and a variety of challenges to the workforce. The market equity, incentive pay, retention incentives, and stock options are the key solutions that the compensation professionals utilise to address retention concerns. In a similar vein, a benefits specialist concentrates on the flexible benefit plans that are effectively articulated and provide professional chances for advancement (Kates, 2006).

The most effective personnel management strategies for handling employee retention are (Farley, 2005). The organization's primary goal is to improve the employees' skills and offers them a variety of options (Farley). The organization's resources, including the line management, HR, employee communications, and PR teams, are cooperating to solve the problems.

**REVIEW OF LITERATURE**

**Theoretical Review**

**Expectancy Theory**

Victor Vroomin is the author of the expectation theory (1964). According to this hypothesis, individuals will exert greater effort when they anticipate receiving a reward for their efforts. Performance management and feedback were a factor in this notion (Salaman, Storey, & Billsberry, 2005). It has a direct impact on the working environment (Lunenburg, 2011). According to Armstrong and Taylor's (2014) research, when employees are aware of their roles, it encourages them to earn rewards. This demonstrates that an employee is motivated if they perform well and receive timely feedback on their work. The valency-instrumentality-expectancy (VIE) theory serves as the foundation for the idea of ET (1964).

In essence, it is a concept of aims. Regard is shown for the employees' feelings. (Muriithi & Makau, 2017) claim that (Muriithi & Makau, 2017). In addition, (Gupta & Aggarwal, 2012) indicate in their study that effectively and efficiently managing staff is a crucial issue in the modern era in order to remain competitive. Additionally, talent management can help an organisation accomplish its objectives (Gupta & Aggarwal, 2012). In order to compete in the contemporary business environment, organisations must put into place effective personnel management strategies. These tactics include finding and developing talented individuals to satisfy present and future skill requirements, managing and keeping personnel for the competition, and enticing talent through recruiting and selection (Stahl et al., 2007).

![Diagram](image.png)

**Vroom's Expectancy Theory**

**Social Categorisation Theory**

The social categorization theory (SCT) describes how employees perceive themselves. Henri Tajfel and John Turner have developed this idea with a constrained focus (Turner & Reynolds, 2010). Social characteristics like gender, age, race,
occupation, duration of service, and group are associated to it. According to this idea, it is useful to understand a group member’s (in-group) feelings rather than the feelings of the out-group. This hypothesis is useful for explaining how individuals who have the same demographic characteristics—gender, age, and tenure—behave in the workplace. Many critics claim that it is impossible to explain why one group of employees behaves in such an unreliable and dishonest manner.

Objective of the study
1. To understand concept of Talent Management.
2. To understand the impact of Recruitment and selection, Coaching and mentoring and Compensation on employees performance.

Scope of the study: To helping the employees about their functions and roles in the organization. To know better understanding about the strength and weakness according their roles and functions. To known about the talent management practices and the effect of it for retaining the talent. To know how talent management increases the performance of employees.

Type of data collection: Primary Data: "Primary data is that which is collected for the first time primary data is also called basic data or Original data." It is collected through Questionnaire, through Interaction with Employee.

Total Population: 285
Sample Size: 50
Analysis Technique: Random Sampling and Questionnaire technique selected by researcher to collect the data from the respondent.

Theoretical Framework
The following theoretical framework has been developed after the study of various review of literature regarding talent management practices and employee performance and employee retention.

H1: Recruitment & selection positively influence employee performance for retaining the talent

H2: Coaching & mentoring positively influence employee performance for retaining the talent

H3: Compensation influence employee performance for retaining the talent
RESEARCH METHODOLOGY
For this study, descriptive research methodology was used. In order to assess hiring and selection, coaching and mentoring, salary, and employee performance, a quantitative approach was adopted. Stratified and simple random sampling procedures were used to choose 285 respondents from among the workforce in the IT sector as the sample from the population. The results were intended for the structured questionnaire. The data analysis employed descriptive statistics, correlational methods, and regression techniques. Scales that have been devised were used to measure all the factors (Eby, 2013; Saifalislam, Osman, & AlQudah, 2014; Singh, 2004; Tabouli, Habtoor, & Nashief,S, 2016; Taruru, Keriko, Ombui, Karanja, & Tirimba, 2015). To evaluate the hypotheses Using SPSS, reliability, correlation, and regression analysis were carried out.

FINDINGS
Statistics of Reliability
For the internal consistency of the variables, reliability analysis was performed. Therefore, according to the analysis of internal consistency, the alpha value for recruiting and selection was 0.751, with N=6, whereas the alpha value for coaching and mentoring was 0.834, with N=11. Cronbach's alpha was 0.832 for compensation and N = 7, whereas it was 0.811 for employee performance. The fact that the value of alpha was higher than the allowed limit of 0.7 for all variables indicates that the questionnaires utilised in this study were credible (Nunnally & Bernstein, 1994).

<table>
<thead>
<tr>
<th>Table 1 – Reliability Statistics</th>
<th>Cronbach Alpha Value</th>
<th>Number of items</th>
</tr>
</thead>
<tbody>
<tr>
<td>Recruitment &amp; Selection</td>
<td>0.751</td>
<td>6</td>
</tr>
<tr>
<td>Coaching &amp; Mentoring</td>
<td>0.834</td>
<td>11</td>
</tr>
<tr>
<td>Compensation</td>
<td>0.832</td>
<td>7</td>
</tr>
<tr>
<td>Employee Performance</td>
<td>0.811</td>
<td>8</td>
</tr>
</tbody>
</table>

The correlation values can be seen in Table 2. Recruitment and selection are positively correlated with employee performance ($r=0.789, p<0.05$), while coaching and mentoring are positively correlated with employee performance ($r=0.832, p<0.05$), according to the analysis of correlation. Employee performance and compensation were positively correlated ($r=0.821, p<0.05$).

| Table 2 – Pearson correlation (Recruitment and Selection, Coaching and Mentoring, Compensation & Employee Performance) |
|---------------------------------------------------------------|---------------------|-----------------|
| Variables                                                      | EP                  | R&S             | C&M             | C                  |
| Recruitment and Selection                                      | .252               | .052            | 4.687           | .000              |
| Coaching and Mentoring                                         | .172               | .042            | 3.725           | .000              |
| Compensation                                                   | .387               | .051            | 7.453           | .000              |

Note: EP (employee performance), (Recruitment and Selection), (Coaching and Mentoring), (Compensation).

The results of the multiple regression analysis are summarised in Table 3 with the dependent variable being employee performance and the independent factors being recruiting and selection, coaching & mentoring, and compensation. Positive results from regression analysis include values of $p=0.05$, $F (3, 360) =332.831$, and $R^2 = 0.732$, demonstrating that the recruitment and selection process, coaching and mentoring, and compensation have all had an impact on employee performance. Therefore, the unstandardized beta ($) of recruitment and selection was 0.252, $p<0.05$, indicating that these factors have a positive and significant impact on employee performance; the unstandardized beta ($) of coaching and mentoring was 0.172, $p<0.05$; this demonstrates that these factors have a positive impact on employee performance; and the unstandardized beta ($) of compensation was 0.387, $p<0.05$; this demonstrates that factors such as compensation have a positive and significant impact on employee performance.

<table>
<thead>
<tr>
<th>Table 3 – Regression Analysis Variables</th>
<th>B</th>
<th>Std. Error</th>
<th>t</th>
<th>Sig.</th>
</tr>
</thead>
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<tr>
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<td>.051</td>
<td>7.453</td>
<td>.000</td>
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</table>

DISCUSSION
The influence of talent management methods and their impact on worker performance in the IT sector were the main subjects of this study. Because the data show a positive and significant effect with a $p$ value less than 0.05, the first hypothesis of this study, that recruitment and selection for recruiting a talent has a beneficial effect on employee performance, is accepted. Therefore, recruitment and selection are crucial for luring in skilled workers, which in turn affects how well individuals perform in IT organisations. The study’s findings were consistent with the studies’ recommendations (Jolaosho et al., 2018; Pahos & Galanaki, 2018; Rahmany, 2018). Because the $p$ value is less than 0.05, the second hypothesis of the study—that coaching and mentoring for the development and learning of talent has a beneficial influence on employee performance—is accepted. The outcomes are
consistent with those of different investigations (Mundia & Iravo, 2014; Neupane, 2015; Raza et al., 2017). The final hypothesis of this study, that reward for talent retention has a beneficial impact on employees' performance, was similarly accepted because its p value was less than 0.05. Therefore, remuneration is quite helpful for improving employee performance, retaining talent, and keeping individuals who have talent (Hameed et al., 2014; Sulaefi, 2018). This study provides empirical evidence linking employee performance with talent management strategies.

**CONCLUSION**

The primary areas of focus in this study include talent management techniques related to hiring and selection, coaching and mentoring, and remuneration for talent retention and their impact on employee performance. This study investigates if these methods have a favourable impact on employees' performance. In order to satisfy the organization's present and future needs, the IT sector needs to develop more strategies for luring, nurturing, and keeping talent. And to improve employee performance so that the organisation performs better. In their research, (Callings et al., 2015) also found that talent management is crucial for attracting and keeping people as well as for meeting the organization's future needs. Additionally, (Sheikh et al., 2017) mention in their study that an organization's purpose can be reached by the performance of its employees. The study's findings also suggest that the IT sector should adopt more talent management strategies for employee growth and retention.

**REFERENCES**