



# The effect of talent management strategies on workers' productivity and retention in the Indian IT industry.

## ABSTRACT

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Background: In the Delhi-NCR area, staff retention in the IT sector is falling. The present study postulates that talent management methods have a role in elevating employee retention within the information technology industry. This study aims to comprehend the notion of talent management, as well as the effects of Hiring and choosing personnel, offering employees coaching and mentoring of Employees, Employees receive compensation for their labour on worker performance.

Method: A descriptive research approach was used in the study. A sample of respondents was drawn from the IT sector workforce in the Delhi NCR area.

Consequences: The study employed stratified and simple random sampling techniques to identify 285 respondents who were employed in the IT sector. For the analysis, a structured questionnaire was created. Regression analysis, correlation analysis, and descriptive statistics were employed in the data analysis. The study's conclusions indicated that talent management procedures play a significant role in the effectiveness and productivity of an organisation when it comes to staff retention.

Suggestions: The report suggested that while developing HR rules, the IT sector should give employee retention more consideration.

Keywords: talent management techniques, performance management, employee engagement, employee retention, and employees' performance.

## Introduction :-

The ability to manage talent is crucial to keeping personnel within the company. It is one of the internal components that is crucial to the company's success. Julia Christensen (2008) asserts that talent management is crucial to preserving a balance between workers and organisational capacity. According to Paul R. Sparrow's (2015) research, the corporation must raise employee performance since they are the primary resource for the efficient operation of the organisation. Employee performance is visible when the business meets its own benchmarks. Therefore, in this cutthroat environment, staff performance must increase if the organisation is to meet its goals.. Deborah R. Philips et al. (2009) state that their research demonstrated the beneficial impact of talent and competency management on employees' financial performance. Rakesh Sharma et al. (2009), who investigate the relationship between talent management and employee performance at Indian pharmaceutical organisations, also supports it. Their study indicates that employee performance is positively impacted.

According to Roberto Luna Arocas et al. (2019), there is no discernible impact of talent management on Valencia (Spain) employees' performance. More work needs to be done to keep the talent in the organisation. The primary tool used by the business to determine and enhance workers' knowledge, skills, and competencies to boost output and help the organisation reach its objectives is talent management..

## Literature Review

Compared to other employees, those with exceptional talent are treated with greater respect. Their unique perspectives and additional job abilities help the organisation accomplish its objectives. The definition of talent management is creating strategies to draw in, nurture, utilise, and keep talent within the company in order to accomplish its long-term objectives. The ultimate goal is to place the right people in the right positions (Cappelli & Keller, 2014). Additionally, (Gupta & Aggarwal, 2012)) elaborates in his study that managing our personnel effectively and efficiently is a major worry in today's world in order to acquire competitiveness (Muriithi & Makau, 2017). Furthermore, an organisation can achieve its goals through talent management (Gupta & Aggarwal, 2012). In order to remain competitive in the current business environment, organisations must implement talent management strategies that include recruiting and selecting talented individuals, developing them to meet future skill requirements, and managing and retaining them throughout the competition (Stahl et al., 2007). The performance of skilled people in any organisation can lead to a competitive advantage. An employee's performance is their production that contributes to the organization's goal (Sheikh, Tunio, & Shah, 2017). According to research, talent management strategies examine employees' performance (Ndola, Kingi, & Idua, 2017). Employee performance is positively impacted by talent management strategies, which include work-life balance, career growth, and talent development. (Dixit & Dean, 2018) delves into the idea that talent management techniques have a favourable impact on workers' performance and job happiness. (Mangusho, Murei, & Nelima, 2015) also state that talent management procedures have an effect on workers' output.

## Retention of Employees

In the modern world, employee retention plays a critical role in any organisation. Retention is crucial for preserving a competitive environment (De Long & Davenport, 2003; Schramm, 2006). HR provides a wealth of options and opportunities for luring and keeping talent within the company, claims Kaliprasad (2006). When companies give a

variety of incentives, such as pay and benefits, balance work and personal obligations, and foster a positive work environment, retention rates rise (Messmer, 2006).

Numerous papers, conferences, and research projects have been published in the last few years on employee retention. Every study focuses on the reasons for employees' departures from the company (Frank et al., 2004). Although the explanations for the investigations differ, the results will be the same. es on how well workers perform. They are producing identical outcomes. Employees quit their existing companies for a variety of reasons, such as unfulfilled trust in senior management, work/life balance, job content, career path, poor working conditions, negative relationships with superiors, and lack of compensation and perks. Additionally, they have the choice to join another organisation (Kaliprasad) where they will receive complete benefits and opportunities for their benefits. Senior team members seek advice from HR when there are problems with talent attraction and retention (Patel, 2002).HR offers professional opportunities and a range of challenges to its employees. In order to address retention problems, the compensation specialists mostly concentrate on market equity, incentive pay, retention bonuses, and stock options. In a similar vein, a benefits specialist concentrates on effectively communicating flexible benefit schemes and providing professional prospects for advancement (Kates, 2006).The greatest talent management strategies focus on employee retention (Farley, 2005).The organization's primary goal is to improve employees' skills and offer a variety of opportunities (Farley).The leadership team, HR, employee communications, PR, and line management are among the organisational resources that are collaborating to resolve the problems (Patel, 2002).

#### Analysis of the Theory

##### Theory of Expectations

The expectancy theory was developed by Victor Vroomin in 1964. This idea states that people will work more if they think their efforts will be rewarded. This strategy included performance management and feedback (Salaman, Storey, & Billsberry, 2005).It directly affects the atmosphere at work (Lunenburg, 2011). Employees who are aware of their roles are more likely to earn rewards, according to research by Armstrong and Taylor (2014). This proves that someone is probably very driven if they perform well and give prompt feedback on their work. ET was first proposed in the valency-instrumentality-expectancy (VIE) theory (1964).It's basically a goal-oriented theory. Concerns about employee emotions and their impact on output and performance exist. This theory is related to the idea that different people have different degrees of self-assurance, expectations, and work capacity. the staff's perception of whether they got what they desired (Vroom, 1964).Favoritism inside the organisation will lead to disengagement and a decline in employee morale, which will result in more injustice. This theory contributes to the explanation of why Nigerian employees act in a certain manner during performance reviews in the food and beverage sector. Employee involvement on performance reviews has a big impact on employee engagement.

##### Theory of Social Categorization

Employee perspective is reflected in the self-concept of social categorization theory (SCT). Henri Tajfel and John Turner created this theory, which has a narrow focus (Turner & Reynolds, 2010).Social characteristics including gender, age, race, occupation, duration of service, and group are associated to it. According to this view, it is

beneficial to understand the feelings of an individual within a group, as opposed to the feelings of the outside group. This hypothesis aids in the explanation of the actions of the same demographic profile, including age, gender, and length of employment. Many detractors claim that it is impossible to account for the actions of other group employees who exhibit less integrity and trustworthiness.

- The study's goal
1. To comprehend the talent management idea.
  2. To comprehend how hiring and selection, coaching and mentoring, and compensation affect workers' output.

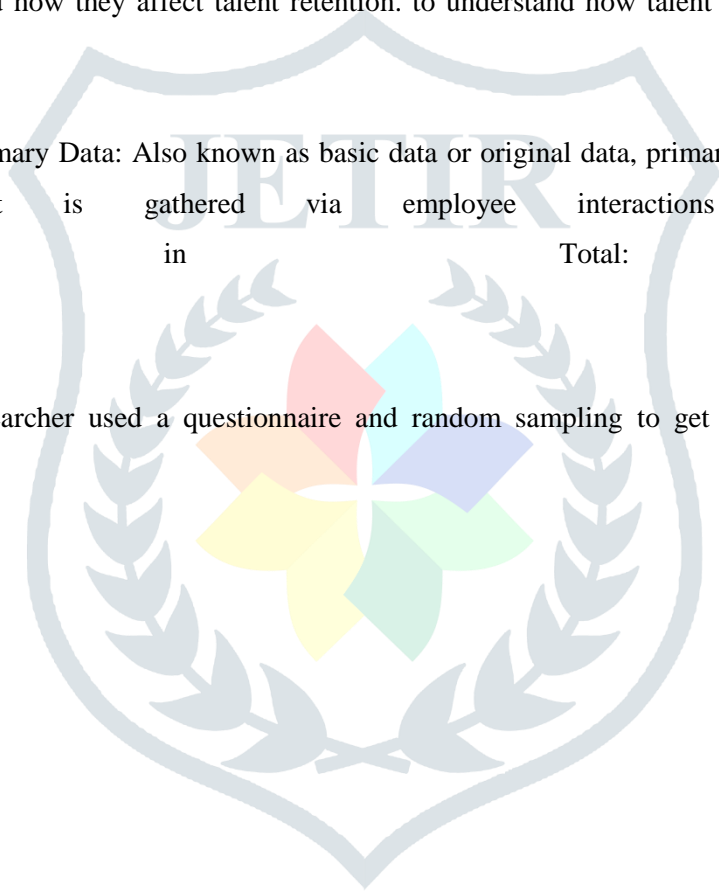
The purpose of the study is to inform employees about their responsibilities and duties within the company. to gain a deeper comprehension of the strengths and weaknesses in relation to their jobs and duties should be aware of talent management techniques and how they affect talent retention. to understand how talent management improves staff performance.

**Data collection type:** - Primary Data: Also known as basic data or original data, primary data is information that is gathered initially. It is gathered via employee interactions and questionnaires.

Population in Total: -285

Number of Samples: - 50

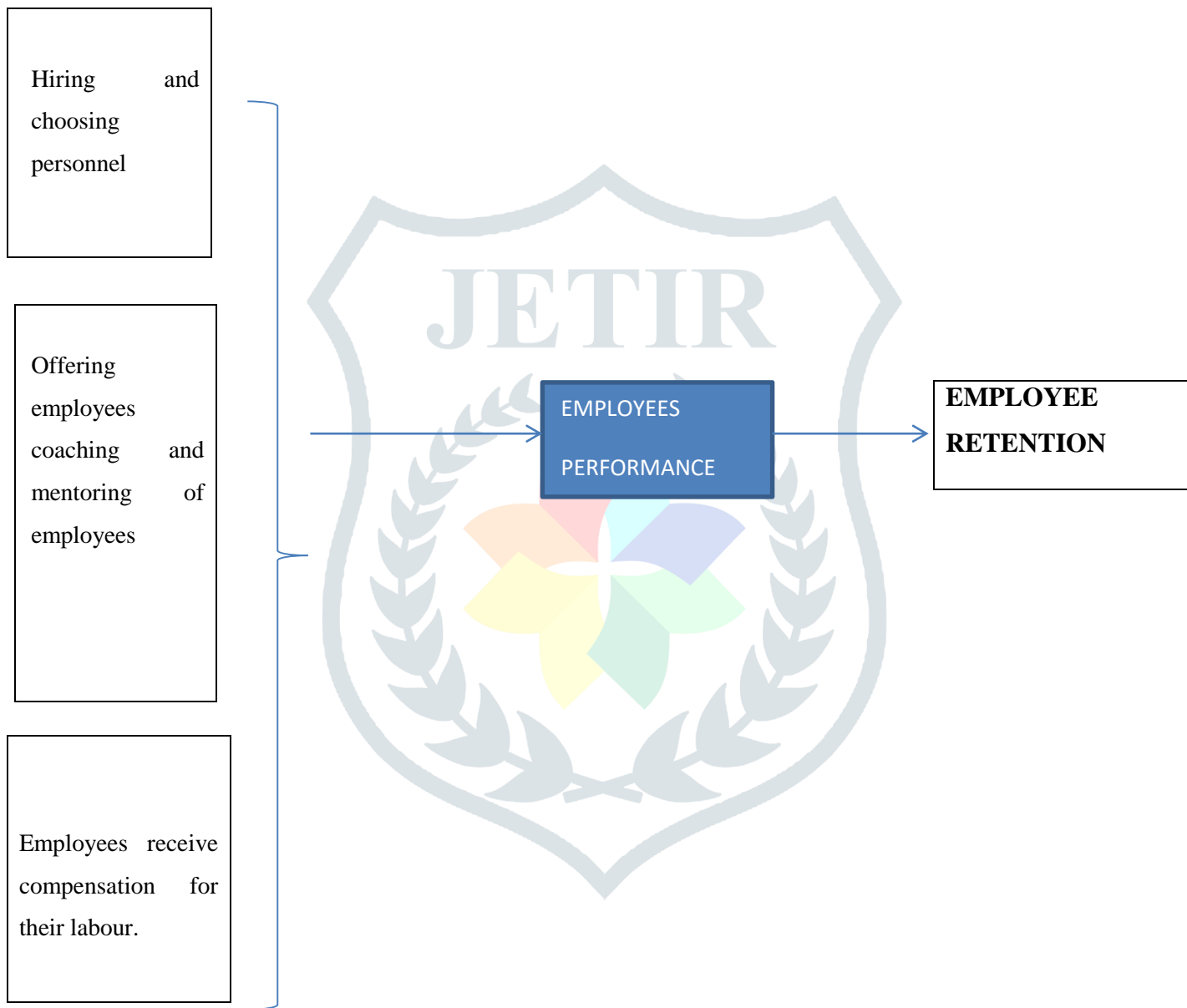
Analysis Method: The researcher used a questionnaire and random sampling to get data from the respondents.



### Conceptual

### Structure

After examining numerous reviews of the literature pertaining to talent management strategies, employee performance, and employee retention, the ensuing theoretical framework was created.



### Methods of Research

For this study, a descriptive research approach is used. The questionnaire was utilized in a quantitative manner to assess employee performance, coaching and mentoring, remuneration, and recruiting and selection. Using stratified and basic random selection procedures, 285 IT industry employees were chosen as the sample from the population. For the outcomes, a systematic questionnaire was created. Regression analysis, correlation analysis, and descriptive

statistics were employed in the data analysis. Scales from (Eby, 2013; Saifalislam, Osman, & AlQudah, 2014; Singh, 2004; Tabouli, Habtoor, & Nashief.S, 2016; Taruru, Keriko, Ombui, Karanja, & Tirimba, 2015) were built and used to measure every variable. Regression analysis, correlation, and reliability assessments of the hypotheses were carried out using SPSS.

### **Conclusions**

The internal consistency of the variables was examined using reliability analysis. Accordingly, an internal consistency analysis revealed that the alpha value for hiring and selecting was 0.752,  $N = 7$ , whereas the alpha value for coaching and mentoring was 0.854,  $N = 12$ . Cronbach's alpha for employee performance was 0.811,  $N=8$ , whereas the value for compensation was 0.834,  $N=6$ . Since all variables' alpha values were over the permissible limit of 0.7, the questionnaires employed in this study may therefore be considered credible (Nunnally & Bernstein, 1994).



<i>Variables</i>	Cronbach Alpha Value for Reliability Statistics	Number of items
Hiring and choosing personnel	0.752	7
Offering employees coaching and mentoring of Employees	0.854	12
Employees receive compensation for their labour.	0.834	6

Table 2 shows the correlation values. The analysis of correlation shows a positive relationship between Hiring and choosing personnel and employee performance ( $r= 0.789, p= < 0.05$ ) while positive correlation also shows between Offering employees coaching and mentoring of Employees and employee performance ( $r=0.832, p=< 0.05$ ). Employees receive compensation for their labour showed a positive relationship with employee performance ( $r=0.821, p= <0.05$ ).

Table 2 –Pearson correlation (Hiring and choosing personnel , Offering employees coaching and mentoring of Employees, Employees receive compensation for their labour & Employee Performance)

<b>Variables</b>	<b>EP</b>	<b>R&amp;S</b>	<b>C&amp;M</b>	<b>C</b>
<b>EP (N=285)</b>	<b>1</b>	<b>.789</b>	<b>.832</b>	<b>.821</b>
<b>Pearson Correlation</b>				
<b>Sig. (2-tailed)</b>	<b>.000</b>	<b>.000</b>	<b>.000</b>	

The multiple regression analysis summary are displayed in Table 3, where the dependent variable is employee performance and the independent variables are hiring and selecting persons, providing coaching and mentoring to employees, and allowing employees to be paid for their labour. Positive results from the regression analysis include values of  $p < 0.05, F(3, 360) = 332.821$ , and  $R^2 = 0.731$ , indicating that hiring and selection, coaching and mentoring, and remuneration have been identified as the main factors influencing employee performance variation. Hence, the unstandardized beta ( $\beta$ ) for hiring and selection was 0.252,  $p<0.05$ , indicating that these factors have a positive and significant impact on employee performance; similarly, for coaching and mentoring, the value is 0.172,  $p<0.05$ , demonstrating the positive impact of coaching & mentoring on employee performance; and for compensation, the value is 0.387,  $p<0.05$ , indicating the positive and significant impact of compensation on employee performance.



Table 3 – Regressi on Analysis Varia bles	B	Std. Error	t	Sig.
Hiring and choosing personne l	.252	.052	4.687	.000
Offeri ng employee s coaching and mentoring of Employee s	.172	.042	3.725	.000
Employee s receive compensa tion for their labour.	.387	.051	7.453	.000
R=0.852		R2= 0.731		F (3,360) = 332.821

### Discussion

The impact of talent management strategies on worker performance in the IT industry was the main topic of this study. The study's first hypothesis, according to which hiring and selecting talent has a beneficial impact on worker performance,



is accepted since the data show a positive and significant effect ( $p$  value is less than 0.05). Consequently, hiring and selection procedures are crucial in luring skilled workers, who in turn have an impact on workers' productivity within IT companies. According to the study's guidelines, the findings were as follows: 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. As demonstrated by the findings of several investigations (Mundia & Iravo, 2014; Neupane, 2015; Raza et al., 2017), the outcomes are consistent. Because its  $p$  value is less than 0.05, the final hypothesis of this study—that talent retention pay has a beneficial impact on employee performance—was also accepted. Thus, pay has a significant impact on both employee performance and talent retention, as well as improving the performance of talented workers (Hameed et al., 2014; Sulaefi, 2018). Employee performance and talent management strategies are empirically supported by this study. Additionally, it is crucial in today's cutthroat environment to develop, draw in, and hold onto talent as well as raise employee performance.

### Conclusion of the study

This study focuses on talent management strategies, namely on hiring and selection, coaching and mentoring, and pay for talent retention, as well as its impact on worker performance. This study investigates if these techniques have a beneficial impact on workers' output. The IT industry must develop additional methods for attracting, developing and retaining the personnel and to satisfy the current and future requirements of the organization. and to improve employee performance in order to raise organisational performance. (Callings et al., 2015) also indicates in his study that talent management plays a vital role for attract and retaining a talent and to satisfy the future needs of the company. Additionally, Sheikh et al. (2017) note in their study that an employee's performance might help the organisation reach its aim. The study's conclusions also suggest that the IT sector should implement more talent management strategies to foster employee growth and retention.

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