

Factors Effecting Talent Management – A Literature Review

Arey Rupaveni

Research Scholar, Associate Professor,
Holy Mary Institute of Technology and Management,
Bogaram(v), Keesara(m), Ranga Reddy District

Abstract: This paper highlights extensive research that had been conducted in understanding the practices and implication of talent management. We sourced existing literature from digital libraries and print editions of HR and behavioral sciences journals. Research is presented in an organized manner. Finally, we conclude with our observations on existing research.

Keywords: Talent management, Talent retention, Talent acquisition, Employee Engagement, Career development, Employer brand, Work place ergonomics, Flexible working schedule, Effective leadership and Organizational culture

I. INTRODUCTION

Talent management has been one of the most debated themes in human resource management (HRM) theory and practice in recent years. Next to leadership development, value-based recruitment and performance management, talent management is seen as one of the key human resource themes and challenges by leading multinational companies. Articles published in the popular and practitioner press, as well as consulting companies, pay a great deal of attention to talent management and how to win the 'war for talent.' Over the course of the past decade academics have produced a considerable amount of publications on talent management as well.

In this paper we critically review the existing literature on talent management, its process, practices, benefits, and various outcome variables that are strongly related to talent management. In addition we also present various statistical tools that are applied in analyzing data on talent management.

II. THE REVIEW

In this section we present an extensive review of existing literature on talent management, its drivers, benefits, and organizational outcomes. Original research articles discussed in this study were sourced from online digital libraries like

Emerald, EBSCO, Elsevier, Francis & Taylor, Sage Publications, and other open access peer reviewed journals. All the articles reviewed for this paper were sourced from academic journals in the areas of human resource management, behavioral sciences, and applied psychology. All articles were published by reputed journals with ISSN and proper indexing.

Arporn Puvitayaphan (2008) examined the rationales for implementing talent management practices and investigated the key success factors of talent management practices. The study summarized four key functions of talent management i.e., 1) talent identification, 2) talent development, 3) talent motivation, and 4) talent compensation. This study highlights that there were not more than 10% of the total employees who were considered as talented employees. The author recommends that future studies should concentrate on understanding specific areas of talent management and should also concentrate on comparative studies.

Jiang (2011) tried to clarify the process that leads employees and prospective applicants to be attracted to remain with the organization or apply for a job offer in companies. The study evaluated how organizational attractiveness and employee brand based equity perceptions influence talent management. Findings of the study revealed that organizational attractiveness and employee brand equity an important role talent acquisition and retention. The authors

recommend that internal branding communications should focus on creating employer brand.

Petra Horváthová (2011) brought forward the basic concepts, essence, content, significance, benefits of talent management for present day knowledge driven organizations. He also discussed different activities involved in the talent management process i.e., talent acquisition, development, and retention. The study describes the main benefits of correctly applied practices of talent management as - talented employees contribute to a more considerable extent to the fulfillment of organizations' strategy and economic goals, employee acquisition costs will decrease, employer brand is created, retention rate will be very high.

Mathias Höglund, (2012) explored the direct and indirect linkages between HRM practices and human capital within a talent management framework. The study also examined mediating role of employee perceptions between HRM and talent management. Results of the study indicated that HRM practices are positively related to talent management and mediated the direct relationship between skill development and human capital. The researcher advocates that talent management treatments will have positive effects on employee motivation and skill development.

Dhanabhakya. M & Kokilambal.K (2014) conducted a study to find out talent management practices which are adopted in four major industries and also tried to find out different practices adopted by each of the sample four industries. The study found that talent management practices differ from industry to industry. The authors concluded that talent management practices benefits both individuals and organizations. This study identifies the talent management practices that were common to many industries and listed those as recruitment and selection, succession planning, training and development, performance management, compensation, employee retention, and supervision. In few industries talent management practices includes alignment with business goals, and organizational culture.

Zeinab Moayedi, and Mojtaba Vaseghi (2016) highlighted the need and importance of talent management in the present scenario and also identified the drivers of talent management. The authors point out that talent attraction, talent recruitment and selection, talent engagement, learning and development, and talent retention are the key drivers of talent management practices. They also mention that there exists a direct connection between talent and superior performance of the organization. The study results supports that financial value of the organization depends on the quality of their talents, and they can quickly increase the financial value of the organizations. Finally, the authors mention that in earlier years organizations have invested on technology, machines and people. But now there is a need to invest on people's talent.

III. STUDIES ON BENEFITS AND OUTCOMES OF TALENT MANAGEMENT

Jyotsna Bhatnagar, (2007) investigated the relationship between talent management and levels of employee engagement using a mixed method research design. The survey was conducted among 272 BPO/ITES employees. This

study found high positive association between talent management and employee engagement levels. It also revealed that three other factors i.e. organizational culture, career planning and incentives were also related to talent management. As a concluding remark the author felt that there is a need for a more rigorous study to understand the relationship between talent management and employee engagement.

Margaret Deery, (2008) examined the relation between talent management, employee retention, and work life balance in the context of hospitality and tourism industry. Findings of the study revealed that talent management is related to job satisfaction, organizational commitment, and work life balance and employee turnover. The study recommends that organizations should provide minimum working hours, good leaders at workplace, flexible working hours and efficient recruitment and training opportunities to their employees.

Pamela Bethke-Langenegger (2011) investigated the effects of talent management strategies on organizational performance. Data were collected from employees working for 138 Swiss companies using a structured questionnaire. On analysis the research found that talent management focusing on retaining and developing talents had statistically significant positive impact on job satisfaction, motivation, commitment and trust in leaders. On the other hand talent management practices at corporate strategy level had a statistically higher significant impact on organizational outcomes such as employer brand, customer satisfaction, and companies' bottom line.

Anupam Rani, and Upasna Joshi (2012) examined the contribution of talent management in organizational effectiveness. The study also compared the talent management processes adopted by select IT companies in India. Furthermore, the study also empirically analyzed the relationship between talent management and employee retention. Result of the study indicated that there exists a negative correlation between compensation and employee retention. The study observed that effective talent management strategy can help ensure that the right people are recruited and retained.

James Kehinde (2012) examined the impact of talent management on organizational performance in Nigerian business environment. Data for this study were collected using closed ended questionnaire and analyzed using both descriptive and inferential statistical analyses. Result of the study revealed that talent management had positive impact on the organizational overall performance. The study also found that talent management schemes have different impacts on large, medium, and small scale firms. The author recommends that talent management scheme should be used for all categories of staff.

Muhammad Imran Hanif and Shao Yunfei (2013) conducted a study to highlight the role of talent management strategies to retain talent, reduce employee attrition, by implement various talent management practices like succession planning, employer branding, learning and development etc. The study utilized both quantitative and qualitative data collection methods. In all 200 respondents participated in this study. The result indicates that talent management techniques are integral part of HR strategies.

This study also found that employee engagement can be improved in organizations by career development, leadership effectiveness, training and development, employee motivation etc.

Renu Bhargava (2013) noted that HR professionals were increasingly using technology in designing training programs, performance assessment etc. The study recommends that various talent management practices like employee acquisition, training, supervision, and employer brand etc will enhance employee performance and organizational commitment.

Aerni Isa, and Hazril Izwar Ibrahim (2014) tried to understand the influence of talent management practices on employee engagement. By adopting random sampling method data were collected from 495 employees working in a leading manufacturing company in Malaysia. Data were gathered using closed ended questionnaires and analyzed using inferential statistics. The study found that talent management practices had statistically significant influence on employee engagement.

Diksha Garg, and Kavita Rani (2014) performed an empirical analysis to understand the concept of talent management, its importance and benefits and trace out different survey of talent management. In this paper they clearly define the talent process and list the following benefits of talent management practices. For organizations talent management will increase productivity, reduce employee turnover and enhances better fit between people's jobs and skills. Similarly talent management practices also increase employee motivation and commitment. It is also mentioned that talent management influenced career development, and job satisfactions among employees.

Nurul Ezaili Alias (2014) sought to determine the relationships between talent management practices like supervisory support, career development, compensation, employee engagement, and employee retention in Malaysian IT organizations context. By utilizing convenience sampling method researchers gathered data through self-administered questionnaire. In this study 581 respondents returned valid questionnaires. The response rate was 77%. Data were analyzed using SPSS software. Statistical tests used in this study include descriptive statistics, correlational analysis, regression, and hierarchical regression analysis. Findings of the study indicated that talent management had positive correlation with employee engagement. It was also found that employee engagement has positive correlation with employee retention. Finally, the hierarchical regression analysis indicated that employee engagement mediated the relationship between talent management practices and employee retention.

Victor Oladapo (2014) studied the challenges and successes of talent management programs and the reasons for having or not having talent management programs in organizations. He also examined the relation between talent management, job security, compensation and retention rates. The study found that 69 percent of the companies participated in the study had talent management programs. This study also found that career opportunity / job advancement positively related to employee retention rate. Author of this research suggests that future research should focus on understanding

the impact of talent management on attracting, hiring and developing employees as well as on retaining employees.

Yona Sakaja Mangusho (2015) examined the effect of talent management practices like learning and development, career opportunities, compensation on employee performance and retention. Data for this study were collected from 2,500 employees working for a manufacturing company in Kenya. Findings of the study confirmed that competitive salary packages and rewards motivated employees and caused to high retention rate. On the other hand career development practices such as job rotation enhanced employee competence and productivity. The study recommended that the management should ensure excellent work environment so that more employees are attracted towards the organization and existing employees will retain in the same organization.

Jagdeep Kumari (2016) studied the various challenges and trends of talent management and tried to identify different ways of attracting, developing, and retaining employees. The study also analyzed the relationship between impact of talent management on employee engagement, retention, organizational performance and brand value. Results of the study indicated that there is a statistically significant positive relationship between talent management and outcome variables examined in this study.

Mohamed Wahba (2016) investigated the impact of leadership styles on talent management processes by comparing public and private sector organization in Egypt. The considered various talent management practices like talent acquisition, talent development, and talent retention. Using a structured questionnaire data for this study were sourced from 133 private employees and 133 public sector employees. Data were analyzed using regression and multiple regression analysis. In addition, stepwise regression method was also used to find out the mediating effect of study variables. It was found from the study that talent development and employee retention were highly impacted by leadership styles of supervisors.

IV. CONCLUSION

Existing literature on talent management puts forth multiple practices, benefits, and implications. In brief talent management is a process that contains employee acquisition, training, learning, development, career development, succession planning, compensation, work environment, work life balance etc. Majority of the studies reviewed in this study gathered data using questionnaires and sample size ranged between 100 and 5,000. Few of the studies gathered data using qualitative methods. All the studies reviewed in this paper utilized both descriptive and inferential statistical tools to analyze the data. Inferential statistical tools include correlation, regression, multiple regression, step-wise regression, chi-square test etc. It was found that effective talent management practices effected organizational and individual out comes. Good talent management practices enhanced organizational performance, employee retention, organizational brand and organizational commitment etc. On the other hand, it influenced employee motivation, career

opportunities, work life balance, and relationship with supervisors.

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