SAJMMR

ISSN: 2249-877X Vol. 11, Issue 10, October 2021, Impact Factor: SJIF 2021= 7.642

South Asian Journal of Marketing & Management Research (SAJMMR)

(Double Blind Refereed & Peer Reviewed International Journal)

DOI: 10.5958/2249-877X.2021.00097.7

THE INFLUENCE OF TALENT MANAGEMENT UPON RETENTION

Dr. Vipin Jain*

*Teerthanker Mahaveer Institute of Management and Technology,
Teerthanker Mahaveer University, Moradabad, Uttar Pradesh, INDIA
Email id: vipin555@rediffmail.com

ABSTRACT

As the Baby Boomer generation retires, American companies will have to replace 70 million skilled employees. Worldwide economic stagnation, historically high U.S. unemployment, and global security concerns pose the issue. To stay competitive, senior management must establish solid, long-term personnel management plans. An investigation of the difficulties and achievements of people management programmes and why some businesses opt not to use them. This research also looked at how job stability, pay, and opportunity affect retention rates. Despite considerable implementation difficulties, participants in this study's talent management programme sampled companies (69%) acknowledged the strategic benefit of a successful people management programme. Participants said career development opportunities influenced retention rates the most. While almost all HR managers favor talent management, the major reason cited for not having a programme is lack of senior management support. The research also showed that job stability, pay, and development opportunities had little predictive value for employee retention.

KEYWORDS: *Compensation, development, Employee Retention, Human Resource, Talent Management.*

1. INTRODUCTION

Over the past decade, there has been a lack of skill at work. As organizational leaders struggle to recruit skilled employees, executives confront the problem of how to retain skilled workers and replace the 70 million baby boomers who withdraw from their workforce. Companies now confront the problem of how talent management may be addressed and strategies reformulated, particularly in the world economy today, where every organizing leader has to continuously invest in human capital in order to fight the talent deficit. The leaders of Human Resources ("HR") will need to work closely with top management to attract, recruit, develop and retain talent. However, HR executives need to understand that the talent deficit poses socio-economic and cultural difficulties as talent transcends boundaries. Socio-economic problems include shifting demographics, an ageing workforce (e.g. baby boomers), lack of comprehensive laws on immigration, worldwide safety and the reduction of employment. Cultural difficulties include country-by-country cultural variations, labor power in various cultures and management style differences. The leaders of the Organization must ensure long-term stability via their people management methods, and not pursue short-term measures leading to economic catastrophe, such as mass layoffs[1].

1.1 Importance of Talent Management:

For much of the 20th century, physical resources like as land, equipment, and money and intangibles such as brands, images and customer loyalty were the major focus of managers in the workplace. All their efforts have been aimed at making the two classic elements of production work and capital efficient, but the times have changed. In today's economy, the knowledge based on intellectual assets and intangible skills represents 50% of the national product (GDP) in the industrialized countries. These developments have prompted companies to create a highly integrated people management strategy, which is necessary to guarantee efficiency, profitability and long-term sustainability. In order to develop talent management effectively, corporate executives need to grasp the driving forces behind talent management:

I. the working pool,

II. retention,

III. the risk of self-selection and

IV. the impact of employing on retention.

The five primary objectives of talent management are attracting, selecting, engaging, developing and keeping workers. The need for human capital will continue to drive talent management to enable businesses to achieve a competitive edge. Although salaries and perks entice workers at first, leading executives are focused on keeping and developing talent. The talent management method is used to regulate specific occurrences in the workplace experienced by each employee. The changes in workforce, such as an increasingly global and virtual workforce, various generations working together, longer life expectancy and a self-employed workforce will continue to influence organizational strategy and talent management policies. Demographic changes have also resulted in a continued diversification of workers - from age, gender and ethnicity to lifestyles, migratory patterns and cultural standards[2].

The anticipated lack of skills in the next several years will drive talent management. "Although not all companies, sectors and professions are lacking in capabilities, organizations are already vying for talent. Customer service, healthcare, computer assistance, technology repair, for example, are sectors where the expected severe skill shortage occurs." In addition, as the 2005 Future of the U.S. Labor Pool Survey Report of the Society for Human Resource Management points out, the expected loss of talent in the next decade will differ by organization, sector and industry. The research showed that big organizations are more worried with talent loss as a result of the retirement of the baby boom generation than small and medium-sized businesses, public and government organizations are more concerned about possible talent loss than private firms.

Key corporate strategies also encourage talent management (Morton). With the increasing demand for international technical knowledge, Ford Motor Company connects the development of skills with its strategic organizational objectives. Another business strategy that promotes talent management is corporate branding, a crucial organizational strategy. Companies are increasingly connecting their brands with workers and business behaviour. In JPMorgan Chase, for example, their corporate identity 'One Firm, One Team, be a Leader' covers the idea of leadership for all workers[3].To maintain excellent business outcomes in a global market, companies will rethink and innovate their people management methods. Effective talent management requires strong participative leadership, organizational support, employee involvement and talent management scorecards. Companies who manage their master talents will be well positioned for long-term labor performance growth in the years to come.

1.2 The Pool of Labor:

Even if the growth and creation of new jobs has averaged 2,5% in the past ten years, the scarcity of labor will continue to be pushed by the inexorable pull of demography and a growing economy. "The pace of employment growth will continue to decline gradually and will actually be negative by 2015."But just half of the tale is revealed. In the key age categories 25-44, the workforce is already decreasing with a significant impact on professional, high-tech and service companies, which typically use these age groups as their labor force. The 35-45-year-old group also offers executive talent prime workforce in big business and suggests a significant gap in management recruitment and development over the years ahead. Many companies already struggle to identify the new pool of new managers who will lead their business one day[4].The fast increase in the groups of 45-54 and 55-64 years is another issue. Employee benefit expenses continue to increase, as older employees are increasingly taking use of benefits programmes, including healthcare, 401(k), and conventional pension plans. Career opportunities in this pool may be restricted and it is extremely difficult to keep employees engaged. The development of these two groups makes the present labor market for conventional businesses even more complicated.

The emergence of the Internet-based company in the early 1990s led to the so-called "new economy," a catch-all term including Internet-based trade and new technologies, giving many workers with new and alternative career options. This generation of workers, known as generation Y, has led market values for new enterprises such as AOL and YAHOO to surpass the combined market valuations for the entire U.S. automobile, steel and rail industry. Traditional companies compete for executive and professional talent with organizations that can not only offer a vibrant entrepreneurial work atmosphere, but also create wealth quickly via stock options and other non-traditional payment schemes[5].

At the same time, there are substantial variations in attitudes across the generations of workers. Unlike boomers, many Gen X and Y children grew up in homes where both parents worked as latchkeys. Many of those youngsters were also disillusioned by the wave of corporate downsizing in the late 1980s and early 90s because they saw parents being sent away from companies to which they had devoted a substantial proportion of their lives. Therefore, loyalty to a company is not considered a rewarded asset. Instead, Gen X workers are frequently suspicious of institutions and values and individualism. Gen Xers interact readily through the Internet and know new possibilities and advancements quickly. The management of turnover and retention thus becomes a diversity problem, where leaders of organizations must develop an employment proposal that attracts 22-year-olds as well as 60-year olds and all of them[6].

1.3 Retention:

One of the main worries nowadays of many companies is the retention of employees. Retention is seen by many organizations as a strategic opportunity to retain a competitive workforce. Attracting and keeping a skilled staff keeps many HR vice presidents thinking about opportunities. Conservation is enhanced if workers get pay and benefits, have a supportive work culture, develop and promote and balance their work and life."War for talent" has nearly become a stereotype. In many publications, seminars and research projects the consultancy sector has reacted. Several important studies on the retention of workers have been conducted in the last several years, each intended to determine "the top five reasons why employees depart." Although the research differs in detail, they all convey the same message. Employees leave because they are not satisfied with their present job offer—a certain combination of tangibles (salary and perks) and immaterial ones, and they have the chance to join another company that supposedly has a better job offer[7].

If the acquisition and retention of personnel are an issue, the senior team member contacts HR for solutions. This is a difficult task for HR personnel. The HR profession has always been structured around silos of knowledge. Compensation experts concentrate on market equity, incentive compensation, incentives for retention and inventory choices to address issues with retention. A benefit specialist will also concentrate on the significance of beautifully articulated and smoothly executed flexible benefit programmes. The experts in organizational design handle work/life balance, supervisor training and career development."Best practice companies approach the retention of employees as a strategic issue. These companies have well-defined goals, which emphasize their talents, and are most matched to the job proposal (Farley). The company's resources, spanning from senior staff, human resources, employee communications, PR, and line management, are collaboratively addressed.

1.4 Self-Selection Risk:

Our debate on labor shortages highlights the complicated dynamics of labor markets and turnover. Due to the diversity in turnover factors, one-size-fits-all methods and unilateral retention tactics may have significant unexpected business implications, producing pools of self-selected workers. The greatest illustration of this problem is an extreme example. The US subsidiary of a foreign company devoted to the automation of high-tech manufacturing systems has major difficulties in recruiting and maintaining qualified mechanical and electrical experts. Pay has been found to be fair, but not a difference. Several important organizational problems, including dissatisfaction with a lack of direction, performance and cultural difficulties relating to the overseas parent firm, were identified in subsequent investigations[8].

The organization’s sole highlight was an extremely generous conventional health compensation scheme. In reality, the study of employee opinion revealed that, despite considerable dissatisfaction with other elements of the company, the health plan was a key reason why staff stayed. Ironically, the health plan has become a competitive disadvantage since it has led the company to choose itself for workers who have tolerated a high degree of organization’s dysfunction in exchange for a rich sanitary plan - a culture of work that is extremely appealing to top race technicians. In a different context these same advantages might have been placed as a key selling feature or more appealing for the intended demographic in other programmes. Although this case is severe, it is by no means uncommon. Well-developed flex-type cafeteria arrangements may generate unexpected self-selection problems if there is no justification for other parts of the job offer.

2. DISCUSSION

Effective retention strategies start with excellent recruitment methods – skilled and motivated employees will remain longer. Poor employment procedures double the turnover: new and disorderly employees depart fast; experienced staff, on the other hand, are extremely irritated at the rotating newcomers' door, which puts an ongoing strain upon their time and performance. Employee orientation is a key success element in recruitment and a significant percentage of orientation relates to communication and benefits registration. Never again will a company have such a clear chance to convey the quality and worth of the benefits offered, or show care for the welfare of employees. Yet this is an easy opportunity for a surprising number of businesses. A significant competitive disadvantage is the rich benefit package if workers do not comprehend or appreciate what they get. A competitor company might lay down a significantly larger share of total labor dollars in basic compensation and could possibly attract workers from other companies.

Taking into account labor changes like as demographic shifts, global supply chains, elderly workers, and growing global mobility, prospective organizers must rethink their skills management strategy to the greatest use. This will enable leaders to thrive in a highly competitive economy. In addition, the retention of talent is significantly influenced by corporate culture, employee commitment and leadership development. Taking these variables into account, an integrated talent management strategy provides a means to achieve excellent commercial outcomes[9].Talent management with significant commercial value is difficult and constantly changing. Critical success elements for successful people management, influenced by external variables like as economics, international growth, mergers and acquisitions, include alignment with strategy objectives, active CEO involvement and HR management. In the course of time, common subjects arise surrounding talent management, such as the role of leaders in the development of talent. Overall, CEO engagement, culture, management, procedures and responsibility are the key recurrent themes.

Progressive transformation in workforce and cost-effective methods for accessing personnel are important to the future generation. Predictive workforce monitoring will lead to effective decision-making of strategic personnel. For effective people management will be key factors such as flexible talent acquisition, tailored and personalized incentives, dispersed and influential leadership, and united and caring workplace culture. Companies are using various kinds of work connections more and more and non-standard employment models are developing further. The connections between a free agency and the finest talent will become increasingly frequent on an as-needed basis. Phased retirement will prevail to benefit from the expertise, abilities and corporate memory of senior employees. Having employees involved especially the future generations - may call on HR to rethink the workweek, advantage packages and recompense programmes. Talent matching databases and scenario planning will become important planning tools[10].

3. CONCLUSION

Given that shifting demographics have unfailingly changed the corporate world, companies are widely recognized to be confronted with the difficult job of replacing skilled and talented employees. Furthermore, the agreement is that the workforce is lacking talent and that businesses will need to actively fight for talent to get appropriate individuals into their organizations with the necessary abilities. Many US businesses already suffer from a lack of leadership talent. Three-quarters of Corporate Officials interviewed stated that their firms had "occasionally inadequate skill" or that they were "without talent." Due to these problems, management concentrates on recruiting, employing, developing, and keeping people to a significant proportion of its resources to stay competitive. Human resources ("HR") departments are the focus of these staff procurement and retention efforts via the coordination of talent management initiatives, but buy-in is needed across the whole of the company to ensure the effectiveness of these programmes. Talent management is broadly defined by the implementation of integrated strategies or systems designed to increase workplace productivity by developing improved processes to attract, develop, retain and make use of people with the necessary skills and ability to satisfy current and future business requirements. The data and analysis in this study reveal many important and informative findings on the effect of talent management.

REFERENCES

1. V. Oladapo, "The impact of talent management on retention," *J. Bus. Stud. Q.*, 2014.
2. M. S. S. Jadhav, "Impact of talent management practices on employee retention with respect to selected private hospitals in Sangli City," *Int. J. Trend Sci. Res. Dev.*, 2018, doi: 10.31142/ijtsrd11617.
3. Z. Kohestany and N. M. Yaghoubi, "Investigating the Impact of Talent Management on the Retention of Human Resources: A Study in Zahedan Municipality," *Int. Rev. Manag. Mark.*, 2017.
4. D. Pandita and S. Ray, "Talent management and employee engagement – a meta-analysis of their impact on talent retention," *Ind. Commer. Train.*, 2018, doi: 10.1108/ICT-09-2017-0073.
5. G. Weerasinghe, "Impact of talent management on employee retention: A study carried out on travel agency in Sri Lanka," *Int. J. Multidiscip. Res. Dev. www.allsubjectjournal.com*, 2017.
6. A. Mohammed, "The Impact of Talent Management on Employee Engagement, Retention and Value Addition in achieving Organizational Performance," 2015.
7. F. A. Wibowo, Y. Buana, and Y. J. Kurniawan, "Analisis Pengaruh Talent Management Terhadap Organizational Performance Dan Dampaknya Pada Employee Retention," *J. Adm. dan Kesekretarisan*, 2017.
8. E. Hafez, R. AbouelNeel, and E. Elsaid, "An Exploratory Study on How Talent Management Affects Employee Retention and Job Satisfaction for Personnel Administration in Ain Shams University Egypt," *J. Manag. Strateg.*, 2017, doi: 10.5430/jms.v8n4p1.
9. P. Poisat, M. R. Mey, and G. Sharp, "Do talent management strategies influence the psychological contract within a diverse environment?," *SA J. Hum. Resour. Manag.*, 2018, doi: 10.4102/sajhrm.v16i0.1044.
10. S. Ravi Shankar and S. Kuppusamy, "Impact of talent management practices on employee retention – An empirical study in select IT companies with special reference to Chennai," *Int. J. Enterp. Netw. Manag.*, 2018, doi: 10.1504/IJENM.2018.094658.