

IMPACT OF TALENT MANAGEMENT ON EMPLOYEE PERFORMANCE AND RETENTION

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Abstract

Talent management has become increasingly important for modern organisations as a result of the advent of the modern economy, new generations entering the workforce, and the need for businesses to become more strategic and competitive, which necessitates new ways of managing resources and human capital. In a theoretical sample of fifteen journals, the influence of talent management on employee performance and retention was explored. A conceptual model of the link between talent management practise, employee performance, and employee retention was produced as a consequence. According to the comparison and conclusions from literatures, good personnel management has a significant beneficial influence on employee productivity and retention, both directly and indirectly, as a critical aspect for the firm. This study investigates the relationship between talent management, employee performance, and employee retention.

Keywords: Talent management, Employee Recognition, Job satisfaction, Learning and development, Career management, Competency mapping, Employee performance, Employee Satisfaction, Employee Retention.

Introduction:

Due to linked difficulties such as globalization, fierce rivalry, and technological advancements, companies are currently attempting to maintain their position in the global economy. Organizations have switched their attention from improving efficiency and distinguishing their products and services to concentrating on their intangible resources, specifically, their human capital, as people are the most valuable resource and asset in any business. Organizations that manage their human resources more effectively and efficiently are more likely to achieve their goals and objectives, as well as having long-term organizational performance. Any organization's growth and success is dependent on placing the appropriate workers with the right talents in the right location at the right time, with talented employees seen as the primary resources that contribute to long-term competitive advantages and outstanding performance.

Organizations view people as a valuable resource that helps them maintain a competitive edge and deliver exceptional results. As a result, businesses are concerned with developing and implementing a people management strategy that is appropriate for the global market. The purpose of talent management is to develop long-term employee performance and retention strategies that align with the company's operational and strategic goals. The

current volatile economic situation has made the subject of sustainability increasingly essential for businesses of all kinds. In this context, sustainability refers to an organization's long-term environmental, financial, human, and social contributions. The major problem for HR and company throughout the world, and the current climate has heightened the need for businesses to concentrate on how they can secure long-term success. A successful business strategy should include a methodology for improving its employees; by identifying a talent pool for recruitment, developing a competitive compensation plan, training and developing talent, and evaluating employee performance, an organization can improve its competitive advantage and sustain its business.

It is the responsibility of talent management to guarantee that we can recruit and retain personnel. The three most pressing areas were identified as managing talent, enhancing leadership, and strategic workforce planning, implying that every employer must be prepared to meet future business demand, which may be efficiently managed through talent management. Attracting, retaining, and developing workers have all been connected to the effectiveness of implementing talent management. Employee retention increases the likelihood that employees will think long term and avoid making short-sighted decisions. Retaining high potential employees is not an easy task, so employers must devise strategies to keep them as the company pursues high performance and retains employees with improved skills. Talent management encompasses a variety of human resource features, such as various methods for employees to grow and achieve organizational goals, and it has become critical to the survival of today's profit-driven competitive corporate environment.

Review of literature:

Hayfaa Tlaiss (2021) Talent was widely viewed as exclusive, despite disputes on whether it was stable or developable, according to the survey, which found considerable unanimity in talent philosophies across businesses in four industries. In areas of talent identification and recruiting, training and development, performance evaluation, and talent retention, differences were observed in terms of how talent management was understood in companies and how it was implemented in practice. (Muskan Ngi 2020), Employee performance improves when a firm invests time and money in training and talent management, according to this research. Understanding the relationship between talent management and employee performance is critical. Employee performance is impacted by a number of interconnected factors, including talent management and employee appreciation. The findings of this study by Riham Al Aina and Tarik Atan (2020) reveal that talent recruitment and retention have little effect on long-term organisational performance, however learning and development and career management have considerable beneficial effects.

Eglal Hafez et al., (2017) the components of talent management (motivating exceptional performance, training and development, and work enrichment) have a substantial influence on job satisfaction and employee retention, according to the study. Pamela T. Elia et al., (2017) the results showed that Lebanese Banks' talent management strategies had an influence on leadership quality, business unit productivity, and collaboration. Talent management practises, according to James Kwame Mensah et al., (2016), increase task, contextual, and adaptive performance of talented people while eliminating counterproductive behaviours. Second, the link between talent management methods and four aspects of talented workers' performance is somewhat mediated by talented employees' work attitudes of job satisfaction and emotional commitment.

Puja Sareen and Shikha Mishra (2016) the goal of the study was to determine the influence of people management on organizational performance for a group of IT companies in the NCR area. They discovered that talent management had a limited influence on performance. Amstrong 2015) the capacity to have the appropriate people in the right location at the right time is critical to an organization's development potential. Talent management guarantees that the right people with the right skills are in the right locations at the right time. Mensah, James Kwame (2015) Employee performance is connected to the implementation of a talent management system; nevertheless, a talent management output mediates the relationship between talent management and employee performance. Dr. Rajeev Jain and Satish Chandra Agarwal (2015) the bulk of the responses were in agree and strongly agree categories, showing that all executives are satisfied with their company's talent management methods.

The effects of talent management on organisational trust in Ankara hotels were researched by Altrnaz et al (2013), and it was revealed that changing mid-level and senior hotel executives' attitudes toward talent management in a positive direction had a positive impact on organisational trust. The goal of this research is to learn more about organisational talent management techniques and how they affect employee retention through the mediate influence of organisational trust. The goal of this study is to determine whether talent management techniques have an influence on employee trust and labour retention. The impact of people management approaches and practises on staff retention and execution performance was investigated by Tiwari et al (2013).

Yalcin Vural et al., (2012) performed a survey to see how talent management influences employee commitment, and the results showed that talent management integrated human resources processes and performance systems have a good effect on employee commitment. Employee age has no effect on happiness, according to the study, but employee experience does. The efficiency with which talent management is implemented has been linked to employee recruitment, retention, and development, Baheshtiftar (2011). The impact of people management strategies and practises on staff retention and execution success was investigated by Plansoongnern et al. (2011). Employee age has no effect on happiness, according to the study, but employee experience does have an impact on employee satisfaction with talent management practises.

Objectives:

1. To look into how talent management affects employee performance and retention.
2. To analyse the impact of talent management practises on employee performance and whether or not it is truly vital to keep a talent.

Methodology:

This research is done on the basis of Secondary data collected from 15 articles from the decade 2010-2020.

Discussion:**Impact on Employee performance:**

Talent management initiatives make a significant impact to employee performance. Employees have been able to improve their job abilities to create quality and quantity in accordance with corporate goals thanks to talent management handled within the organisation. This demonstrates that every component of talent management has a positive impact. Employees become more proactive in completing tasks, timelier in meeting objectives, and more autonomous in executing their duties.

As a result, every organisation need a talent management programme. Talent management has an influence on employee performance, talent management has an impact on employee retention, employee retention has an impact on employee performance, and talent management has an impact on employee performance through retention, according to the literature study.

Management and employee performance are viewed as strategic instruments for achieving strategic goals and improving the performance of workers and organisations. Developing a Talent Management system that is tailored to the organisational structure is critical for every business, as it influences employee engagement, commitment, and, most crucially, performance, all of which are critical for the organization's long-term survival and success. It's also worth noting that the TM system should never be imported and should always be linked with the organization's strategy and objectives. Employee Recognition, like TM, is a critical management technique that has a significant impact on employee performance and encourages desire to take on additional responsibility, as well as promoting an ethical practise that supports a good work environment.

Employee performance is significantly boosted by talent management. Based on research findings, the concept of employee talent management is based on holding training in line with employee expertise or abilities in order to enhance employee skills. It is also feasible to conduct an evaluation with the goal of screening and identifying people with the highest talents and performance, who will then be devoted to filling specific roles based on the knowledge necessary. The capacity of employees to execute their task in a disciplined and timely way indicates relatively strong employee performance.

Impact on Employee retention:

Learning & development is a time-honoured and vital human management tool that aims to improve employee abilities, motivation, and productivity. It is described as the process of ensuring that employees are well-trained and engaged. Everyone in the firm should be encouraged and given opportunities to develop and expand their skills and knowledge in order to maximise their potential. Employees are taught specific skills via learning, and their personal and management qualities are bolstered through development.

Professional management is a sort of talent management that keeps track of an employee's career path, educational alternatives, training, and mentorship. Employees are more career-conscious these days, and they want more in terms of professional development, which has become one of the most significant aspects for companies to keep their talent through training and development opportunities. Given that high-potential individuals are career-oriented, it is vital for businesses to design an employee value proposition that encourages advancement. Individual

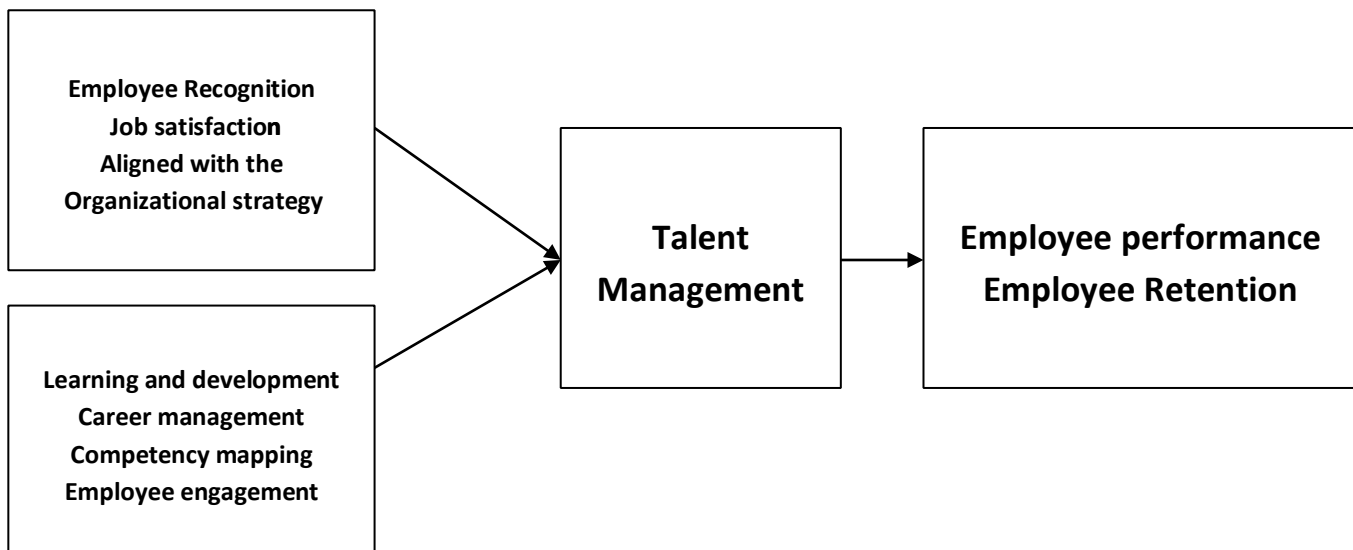
career progression is aided by firms that place a premium on individual competitiveness and long-term career stability in order to satisfy the business's goals. Career management is concerned with giving employees opportunities to advance their skills and careers in order to ensure that the firm has the talent it needs and to fulfil their own desire to fit in with the company's needs. Career management will strengthen the organization's potential to retain existing employees and attract high-quality candidates through effective development and deployment of workers about the future of the firm and as individuals. Competency mapping is a strategic talent management method that aids firms in developing and nurturing their employees while also accomplishing their goals.

By supporting and specifying objective analysis and assessment of the organization's strengths to target areas for employee growth and development, competency mapping provides a framework for improving the skills, knowledge, behaviour, and qualities necessary or accessible within the organization's human capital.

Employee engagement is critical to retention, and it's quickly becoming a major organisational issue, especially as organisations confront more employee mobility. According to several research, employee participation is connected to improved job satisfaction and reduced turnover rates.

Employee engagement relates to an employee's level of commitment and involvement in the company, as well as the amount to which that commitment is sensed by the employees. As a primary source of competitive advantage, it has been drawn to excel in personnel productivity and performance.

Conceptual framework:



Limitations:

1. This paper is a theoretical paper that can be applied to empirical view as well.
2. Only 15 articles were reviewed, more articles can be reviewed
3. Sample responses, direct interviews and feedbacks can also be collected from working employees which may even precisely say the impact of talent management on employee performance and retention

Conclusion:

Most companies recognise how critical it is to employ people management strategies and practises in order to improve their performance and develop a long-term competitive advantage that will help them to stand out in the market. Attracting and maintaining top talent, as well as learning and development and career management, are the main concerns of personnel management approaches. Talent management, on the other hand, is a linked process in and of itself, thus it will be more successful if it is created as an integrated pool that feeds data to all other functions rather than as a sub process. When resources spread under functions are passed on to other acts, they are likely to be lost or diminished, especially if talent management techniques are applied. To summarise, talent management is an effective programme for enhancing employee performance and retention, as well as a persuasive way for dealing with a coming staff problem.

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