

Impact of Talent Management on Employee Retention: A Study of Private Colleges in Bengaluru

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Abstract - In today's knowledge economy, it is important for any higher education institution to invest on human talent or human capital (knowledge, skills, and capabilities). Talented staff play a vital role in an organization's success. Talent retention in higher education has become a major concern. The staff turnover rate is increasing in private institutions. The competitive economy and lack of trained faculty prompt financial and social difficulties as talent cross borders to join institutions abroad. As a result, the implementation of Talent Management is evident in private higher education institutions. Talent Management practices are implemented in three different dimensions (a) day to day workforce practices, (b) a common flow of HR all over the organization, and (c) identifying, developing and rewarding the talent [11]. The objective of this study is to investigate the role of Talent Management and its impact on faculty retention in private colleges. In order to do so, the author designed the sample size of the selective private colleges, comprised of all the faculty with a minimum of 3 years of teaching experience. A structured questionnaire was used to collect primary data from the respondents. The findings and analysis chapter is designed to justify the key literature which is discussed by many authors. As a final point, in conclusion, appropriate recommendations are suggested.

Keywords: *competitive advantage, employee retention, employee turnover, faculty, private college, talent management,*

I. INTRODUCTION

In an organization, the main objective is hiring the right employee at the right time in the right position; this is main goal of Talent Management [5]. The term "Talent Management" was a key term in writings in the 1990s when McKinsey and Company examined the term in their article "The War for Talent" [2]. The term "talent" refers to employee's precious knowledge, skills and abilities or competencies (KSA's) [18]. [18] simplify that, the benefits of talent management for an employee are: career advancement, expand the knowledge about organizations objectives, higher motivation and job satisfaction.

[16] stress that, employee retention issues would begin to develop at a rapid rate in the near future. According to [3], implementation of effective talent management system can help resolve retention issues for any organization. In this current study, the author specifically aimed to identify the relationship between talent management and employee retention in private colleges.

II. LITERATURE REVIEW

IMPACT OF TALENT MANAGEMENT ON EMPLOYEE RETENTION

In-depth analysis conducted by [4], [6] found that, Talent Management as a contributing component in the achievement of an organization. On the other hand, the corporate society is perceived as one of the elements impacting the mechanism of Talent Management [6].

[15] contends that, the investment on a Talent Management system to focus on the talented workers for creative work is necessary to achieve organizations objectives. [10] states that, HR experts need to move far from basic administration to a goal oriented approach for the company to retain its key talent. [9] brought up that, HR experts are confronting the issue of employee turnover. While portraying the reason of worker turnover, [12] said that it is primarily because of job dissatisfaction and job alternatives, and these elements force an employee to leave the job. Yet later [13] said that, a few different elements like social and individual issues of

the workers are some of the reason for employee turnover. [7] faces off regarding that, losing a key resource is losing a part of investment in terms of time, money and more importantly possibility of losing confidential information to its rival organizations [7]. Furthermore, [14] state that, age is a controlling element that helps the employees to remains at work place and diminishes turnover intention.

Young employees below the age of thirty five years have greater expectations from the work environment and subsequently risk of turnover. Meanwhile, the mature employees want to retain existing conditions since they would prefer not to disrupt their advantages, such as pension [14].

Empirical studies such as [17] have shown that, functional turnover (good employees stays, and bad employees leave) can reduce problematic hierarchical execution. On the other hand, [1] argue that, dysfunctional turnover (good employees leaves, and bad employees stay harms the organization through diminished development, deferred administrations, improper execution of new projects and degenerated profitability. For that reason, [8] sum up that, the effective implementation of Talent Management strategies in an organizations upgrade the rate of retention. Hence, it manages vital worker issues and improves organization's competitive position.

III. METHODOLOGY

In this research, the author has used descriptive research method. The respondents were chosen from 5 private institutions located in Bengaluru. Stratified random sampling was used to select faculty with a minimum of 3 years of experience. A sample of 63 respondents were chosen for the study. In the study a structured questionnaire was used as a primary data collection instrument. The internal reliability of the items tested using Cronbach's alpha. The cronbach alpha estimated for talent management was 0.86 and employee retention was 0.92.

Table 3.1 shows the reliability coefficient of research variables related to the given hypotheses

Construct	Number of Questions	Cronbach's Alpha coefficient
Talent Management	9	0.862
Employee Retention	8	0.901

Table 3.1 Reliability coefficient of research variables
Research Objectives

- i. To review literature and identify the importance of Talent Management for a private college
- ii. To study the impact of talent management on employee retention
- iii. To identify effective ways of retaining faculty through talent management system

Hypotheses

H0: There is no significant relationship between talent management and employee retention

H1: There is significant relationship between talent management and employee retention

IV. RESULTS AND DISCUSSION

PROFILE OF RESPONDENTS

This subsection summarizes the characteristics and work profile of faculty including gender, teaching experience, academic rank and employment status in the current organization.

The data in the table 4.1 , as they relate to the faculty, were collected 5 private institutions located in Bengaluru with a total of 63 respondents. The respondents represented both Undergraduate and postgraduate courses.

Gender		
	Percent	Frequency
Male	47.60%	30
Female	52.40%	33
Total	100.00%	63
Highest Degree		
Postgraduate	92.10%	58
PhD	7.90%	5
Total	100.00%	63
Number of years of working in this institute		
Less than 1yr	6.30%	4
1 to 5	31.70%	20
5 to 10	44.40%	28
10 to 15	11.10%	7
more than 15 yrs	6.30%	4
Total	100%	63
Total teaching experience in higher education		
Less than 1 yr	4.80%	3
1 to 5	15.90%	10
5 to 10	38.10%	24
10 to 15	11.10%	7
more than 15 yrs	30.20%	19
Total	100.00%	63
Employment status		
Permanent	100.00%	63
Temporary /Contractual	0.00%	0
Guest Faculty	0.00%	0
Any other	0.00%	0
Total	100.00%	63

Present Academic Rank		
Assistant Professor	49.20%	31
Associate Professor	30.20%	19
Professor	17.50%	11
Any other	3.20%	2
Total	100.00%	63

Table 4.1 Survey respondents profile summary

According to Table 4.1, 52 percent of the survey respondents are women and 48 percent are men. This reflects the gender balance in the teaching profession. On the positive end, there are only 5 percent of faculty having

less than 1 year of total teaching experience and 16 percent having 1-5 years of total teaching experience. This lower percentage indicates that the good work experience has been one of the basic requirement for faculty recruitment

REASONS FOR EMPLOYEE TURNOVER

With voluntary resignations at an all-time high and unemployment rates historically low, employee retention is a key objective for most HR organizations, and employee turnover is the single most prevalent HR metric. To achieve true insight, a more in-depth analysis of what’s causing turnover in different parts of the organization is required. Tracing the source of turnover helps in identifying the best talent management strategy.

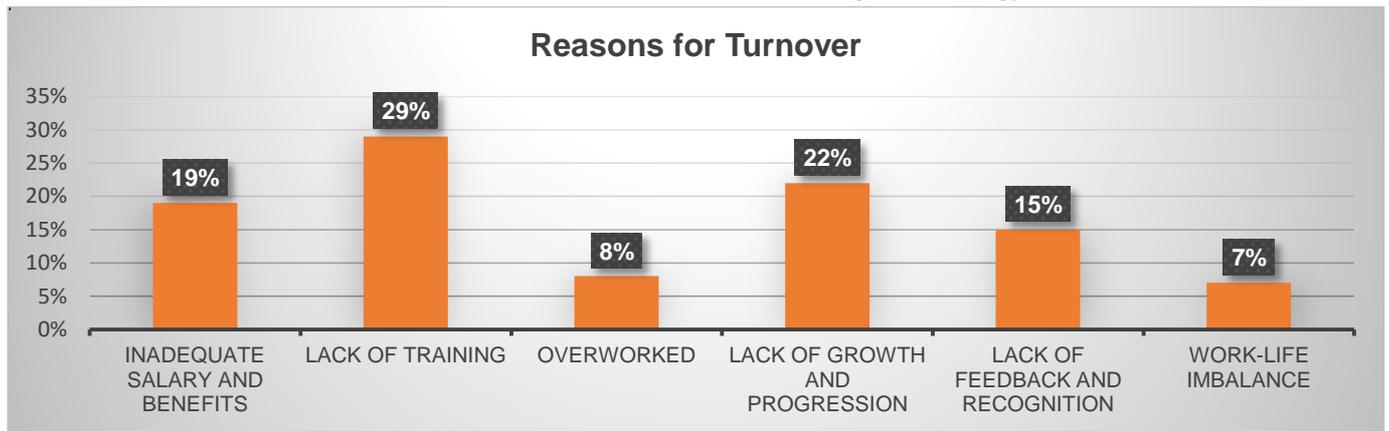


Fig 4.1 Reasons for turnover

As indicated in Fig4.1 , 29% of the faculty sight “lack of training” as the major reason for turnover in a private institution, while 22% indicate “Lack of growth and progression” as a reason.

FACULTY PERCEPTION OF TALENT MANAGEMENT IN A PRIVATE COLLEGE

This sub-section summarizes the perception of faculty regarding talent management. The Fig 4.2 indicates that the faculty have a positive opinion of the contribution and significance of talent management for a private institution,

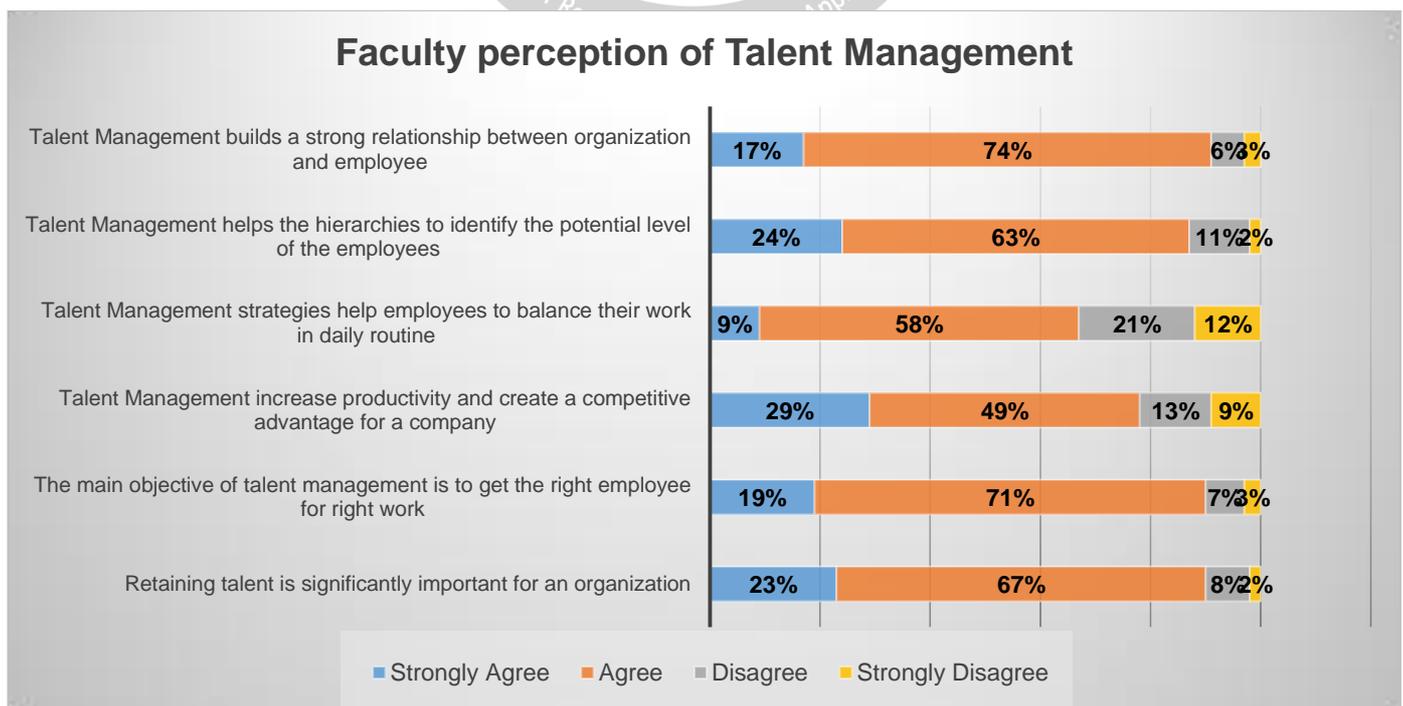


Fig 4.2 Faculty perception of talent management

EFFECTIVENESS OF TALENT MANAGEMENT SYSTEM (TMS) IN TALENT RETENTION

This statement was asked to the respondents to gain an understanding of faculty perception of the effectiveness of talent management system in talent retention. As shown in the Fig 4.3, 69% indicate agreement to the statement, while a minimum of 13% (sum of “Strongly Disagree” and “Disagree”) did not believe that TMS helps in talent retention.

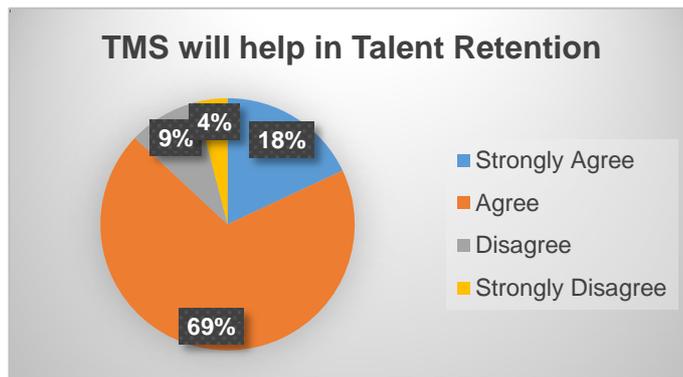


Fig 4.3 Relationship between Talent Management and Employee Retention

Talent management was measured using the talent management practices in the institution and employee retention was measured by the strategies used by the institution to retain talented faculty.

Talent Management practices – Job descriptions, selection, on boarding, mentoring and feedback, performance development, recognition

Employee Retention strategies – exciting work, career growth, good relationship with staff, fair pay, supportive management

The correlation between the two talent management and employee retention is 0.847 which indicates a high positive correlation between the two variables.

Rank Correlation	r value	Significance	Result
Talent Management and Employee retention	0.847	0.00	Accepted

There is a positive and significant relationship between talent management and employee retention with 95% confidence. Hence the hypothesis is accepted.

V. CONCLUSION

The aim of this study was to examine the influence of talent management and employee retention as perceived by faculty of private institutions in Bengaluru. Based on the findings in the research, it appears that there is a significant influence of talent management on employee retention. Majority of the faculty sight “lack of training” as the major reason for turnover in a private institution followed by “Lack of growth and progression”. The respondents have a

positive opinion regarding the significant contribution of talent management towards the success of an institution. The faculty strongly believe that talent management helps in building a strong relationship between an or employee and his organization. The study reports a strong positive correlation between talent management and talent retention.

Based on the findings and conclusion of the study, the following recommendations can be made:

Firstly, because turnover might be because of lack of training and lack of growth and progression for a faculty in an institution, it is recommended that appropriate training programs and career growth should be effectively designed for a faculty. Secondly, as the faculty strongly believe that a talent management system will be effective in an organization’s success, more emphasis should be placed on implementing an effective talent management system for a private institution which would meet the needs and preferences of an employee as well as the institution. Thirdly, the policy makers of a private college have an important role to play in this regard, particularly with respect to understanding what motivates people, ensuring access to learning opportunities, and treating employee with respect.

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