

# A Study of Talent Management and Its Impact On Performance of Organizations

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## I. INTRODUCTION

The purpose of this essay is to make talent management and its importance in maximizing an organization's competitive advantage clear. The paper also provides advice on how personnel management programs might support an organization's recruiting and retention policies. An organization's human resource is the collective set of intrinsic abilities, acquired knowledge, and aptitudes that comprise its workforce. Utilizing human resource management to the fullest extent possible can help individuals and organizations achieve their objectives. Productivity is strongly connected with a company's performance as well as the size and calibre of its HR department. For this reason, the concept of talent management has attracted a lot of scholarly and professional interest.

People are an organization's most valuable resource, and talent development, evaluation, and management is the process of bringing in, nurturing, employing, and training talent. In the competitive business world of today, employers are beginning to value the individuals who work for them, which makes employee retention a major concern. In a knowledge-based culture, human capital is now widely acknowledged as a vital resource and as being necessary to the business's viability. Any major employee departure can have a significant financial impact on a company, especially when you take into account the information that is lost when an employee leaves. Organizations need to work together to manage and retain it. Since talent has become more elusive on its own, businesses need to work together to manage and retain talent. The management of human resources is progressively emphasizing

An organization's performance and ability to hold onto its position as the industry leader are determined by how well it manages and retains its talent pool. The talent management strategy takes care of all the important components during the hiring and selection stages of an employee's "life cycle," enhancing their expertise through performance management, future succession planning, and appropriate training. HR managers and upper management have always emphasized the importance of basic talent management; yet, in order to get the necessary performance levels, they must be committed, engaged, and high-

achieving individuals. Without a doubt, people are an asset to the company, which is why it is putting various strategies into practice to create data-driven platforms that enable decision-making.

A strategic strategy for talent management aids firms in:

- ❖ Change to a "proactive" approach rather than a "reactive" one and make changes right away.
- ❖ Lower training costs by concentrating on the main and most important areas of development and by figuring out the essential skill sets and abilities that every employee needs to acquire.
- ❖ Boost the hiring process by utilizing job descriptions that accurately reflect the abilities of the most productive employees with highly valued corporate or industry competences to find qualified candidates.
- ❖ It assists the company in lowering attrition because its talent management initiatives will help it successfully retain its key and top employees.
- ❖ It significantly contributes to increasing an organization's output, profitability, and earnings.

## II. ORGANIZATIONAL PERFORMANCE

One of the main issues facing management today is cultivating and retaining a workforce that improves the performance of the businesses. Every firm wants to develop and succeed in this cutthroat market, and the primary way to do that is to perform consistently. Thus, the most crucial factor in assessing the companies and their activities is their organizational performance. A collection of financial and non-financial indices that show how well an organization is achieving its aims and objectives can be used to characterize its performance.

An organization is said to be performing well when all of its components work together to produce amazing outcomes, and these outcomes are measured in terms of the value that the business generates and provides to its clients or customers. To boost productivity and optimize overall company efficiency, any firm needs talented workers. Organizations can only obtain an ongoing competitive edge over their rivals when their people resources are inventive and creative. When the entire global market is evaluated, it becomes evident that businesses that prioritize employee

development, self-development, and providing unique products and services that attract their clientele will win the highest spot in their industry and provide ideal business results.

There are some factors which are identified by the researchers which contribute towards the performance of the organizations:

- a) **Continuous Learning:** Businesses must provide specific systems that support their staff members' continuous learning. Organizations with this kind of culture are far more likely to perform at a high level within the sector.
- b) **Focusing on the Customer Results/Outcomes:** Organizations must concentrate on the value they provide to their clients. Revenues and organizational performance both automatically increase when customers are satisfied.
- c) **Aligning Systems and Structures:** Organizations must connect their systems, structures, and procedures with their vision and mission as well as with business goals and strategies if they hope to improve performance.
- d) **Employee Involvement:** Work should be done by organizations to increase employee involvement. One way to achieve this is by offering its skilled workers the freedom to make their own decisions, valuing their originality and inventiveness, and pushing them to reach higher standards of work.
- e) **Information Sharing:** Open communication and unrestricted information flow are essential components of an effective company. Employees should be informed about all the changes made and decisions taken and this would help the organization to perform better.

### III. OBJECTIVES OF THE STUDY

The study's objectives include

- 1) To understand the significance of talent management practices in the IT sector
- 2) To comprehend the extent to which Talent Management Practices impact Employee Retention
- 3) To be familiar with talent management practices for attraction and development.
- 4) To provide fundamental knowledge of the relationship and talent management between talent management and organizational performance.
- 5) To investigate what impact talent management has on the effectiveness of the company

### IV. REVIEW OF LITERATURE OF TALENT MANAGEMENT AS WELL AS THE EFFECTS ON ORGANIZATIONAL PERFORMANCE

Almaaitah and coworkers, (2020) by Talent, distinguished by high pace and competition, is one of the most crucial

foundations that organizations and businesses rely on to realize their long-term vision in the twenty-first century. The need for talent has also grown.

Aina&Atan, (2020) By when there are open positions, talent management assists businesses in identifying the most talented people who have the potential to fill such positions as future leaders. As a result, organizational performance is sustained.

Sheehan, Grant, &Garavan (2018) By the term "talent" refers to the distinctive talents, attributes, characteristics, or abilities of individuals who use them to achieve organizational goals.

Sheokand and Verma (2015) discovered that the talent management idea is just beginning to take hold in the modern business environment. The most crucial element of gaining a competitive edge presently, especially for firms operating on a worldwide scale, is that human resources, often known as the organisation's human capital, have begun to understand their worth and significance. The study provided a thorough analysis based on prior studies that were carried out in the past; it was discovered that the idea of talent management is Possible. Still, it unquestionably results in a high-performing organization .

Oladapo (2014) stated that when an organization is successful in retaining its top/key talent, it definitely has an impact on the profitability of that organization and he also cited that if the organization is able to manage its talent effectively by having the best talent management practices, it will definitely be beneficial in the long term for the company. He also stated that retaining the employees is dependent on having the best talent management practices and for that the organizations need to have a basic understanding of the concept of talent management.

Sireesha and Ganapavarapu (2014) indicated that talent management is all about getting the right person for the right job at the right place and also at the right time. For this, the organizations need to understand how its employees will behave in future and getting them to behave different from the past to get better results. The ultimate goal of talent management practices or programs implemented by the company must be to get the right people for the right jobs in order to make the company successful but this goal is not that easy to achieve as it sounds.

Rana and Abbasi (2013) studied the impact of talent management and employee turnover on the efficiency of the organization in Pakistan's telecom sector. They found out that all the variables are positively correlated and have a direct impact on each other. Nowadays, only those organizations gain a competitive advantage and become successful who effectively manage their talented employees.

Singh, Sharma and Garg (2012) expressed that in the era of globalization and immense cut throat competition, talent management had become the need of the hour. The organizations therefore should understand their core competencies if they want to overpower their competitors. So, in order to succeed, organizations should focus on hiring the best talent that has the passion and commitment to work to achieve its goals and objectives and strategically deploy them to get the most out of them.

Snell (2011) cited that the human resources are the biggest assets for all organizations and hence, they should be well managed and taken care of. It's the employees only that generate value for the company and its success is totally dependent on their skills and competencies. But the business leaders as well the HR managers don't have clarity as to how they can make captive use of these resources for exceptional business results.

Bano, Khan, Rehman and Humayoun (2011) found out that talent management has positive impact on the attitude of the employees and also the organizational performance. They also concluded that organizations which want to gain competitive advantage over their competitors need to take effective measures to manage their talent pool.

Farndale, Scullion and Sparrow (2010) studied the role of corporate human resource function in managing the talent of the organization on a global level. They also highlighted that managing the global talent has become a new area of concern for the organizations in the current scenario.

Collings and Mellahi (2009) stated that the organizations which have talent management practices in place have enhanced performance and productivity. And to achieve this, they need to develop their high performing workforce in order to fill the top positions.

Hughes and Rog (2008) cited that talent management is a form of a business strategy that helps in making employee recruitment, engagement and retention of the talented employees successful within different organizations. The research identified various factors that are required for the effective implementation of the talent management strategies. They concluded that with the help of talent management, the operational and also the financial performance of the company improves to a great extent.

Ashton and Morton (2005) stated that the talent management practices and all the systems and processes related to this should be properly aligned with the corporate goals and objectives to achieve exceptional business growth and profits.

Salkey (2005) cited that today organizations have realized that the talented employees are the assets to the organizations which need to be developed and retained for long term. HR managers should therefore, focus on

benchmarking the best talent management practices in the industry to sustain the success for long term.

## V. CONCLUSION

This report includes the findings from data analysis of talent management strategies and how those strategies affect organizational performance in the IT sector. The previously mentioned studies and research point to a strong relationship between personnel management and overall organizational success. Nevertheless, there is a limited impact of practice on output. Employees think that in order for an organization to reach its full potential, it should focus more on its retention strategies and improve management, performance, and learning and productivity through development activities.

Furthermore, if the firms are successful, their performance will inevitably rise above the current circumstances. Apart from that, the employees think the companies can effectively manage them, and as a result, they all agree that the performance of the organizations is also quite good. It follows that all IT-related businesses ought to include talent management in their business plans and strategies. Put differently, it can be deduced that talent management plays a significant role in influencing organizational performance. They will gain more from methods to increase their productivity, profitability, and performance. Businesses may turn a profit, establish themselves in their local economy, and gain a competitive edge in this rapidly changing market.

Finally, the research results showed that formal succession planning systems are required for efficient global talent management since the main goal of development programs is to identify workers who are seen as valuable assets by the organization and from whom it expects to see ongoing promotions to higher positions. Development strategies and succession planning protocols ought to follow suit. A succession planning strategy has to be recorded, and several human resources procedures have to be adhered to. It's also stated that developing skill is dangerous given how quickly the modern economy is changing. An approach to talent management that incorporates supply chain Instead, organizations ought to implement management

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