

# Impact of Talent Retention Practices on Employee Performance

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**Abstract – The purpose of the study was to examine the effect of talent Retention practices on employee performance. The present study was descriptive and exploratory in nature as the study will describe the current talent attraction practices in service sector and also seeks to explore the effect of talent retention practices on employee performance. The sources of data collection will be primary and secondary. Primary data for the purpose of the study was collected through questionnaire by employees of different healthcare organizations. Secondary data is collected through the literature review and through scanning hospitals document. In this study the sampling frame was all private and public healthcare organizations in India. The target population for the purpose of the study was Delhi and NCR. For the purpose of the study data of 400 individuals is collected from different levels from 30 organizations. Respondents were employees of the organizations. Non-Probability Sampling Technique was used and specifically, Judgmental sampling technique was used. The study found that higher the talent retention practices better will be the employee performance.**

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## INTRODUCTION

Traditionally the word 'talent' usually refers to a special gift. In business language, it has come to summarize all the various attributes of people today. Talent means the total of all experiences, knowledge, skills, and behaviours that a person has and brings to work. Talent therefore is used as a comprehensive term to describe the human resources that organizations want to acquire, retain and develop in order to meet their business goals (Cheese et al., 2008). It takes into account optimum mix of hiring, retaining and developing the employees. And for hiring the right talent, Talent attraction practices are used.

It is very difficult for an organization to succeed and then retain its position in today's highly competitive and dynamic business environment. New and new technologies come and disrupt the existing business dynamics and soon they become obsolete. For any company to respond to these challenges successfully, it needs to have some sustainable competitive advantage. Here talent retention becomes very important as any product, service, business model and even marketing campaign can be imitated by the competitors. But talent retention techniques if properly implemented in an organization can become a sustainable differentiator

which will help it in fetching the gem out of the stones.

## LITERATURE REVIEW

Before 1980's, Human Resource field used to work in an operationally reactive manner, responding to the environment and performing the activities needed on a daily basis. With growing competitive intensity, during the 1980s and 1990s the human resources field started focusing on improving efficiency and measuring productivity. It was realized that to gain competitive edge, human capital is the most important resource which gave birth to the strategically reactive period. It continued with the idea that Human Resource department has to align its activities to the strategy of the organization. Today we are in the strategically proactive period, which is characterized by the fact that organizations need to become flexible and begin to anticipate the future external climate and developing a competent, agile workforce that matches the context. Thus, the changes which occurred in Human Resource in late 90's gave birth to Talent Management. During that time companies started recognizing the value

of human capital. Talent retention practices are part of talent management practices.

According to the Human Capital Institute (2009), the way an organisation attract and manages its talent can be a game-changer for the organization as business owners and shareholders comprehend the link between keeping the best talent and achieving the best results. According to Armstrong (2006) these organizations have to make sure that the policies adopted by them describe the approach of getting and keeping the talent it needs. Retention policies are devised to ensure that the workforce remains as committed members of the organization. The outcome of these policies is a talent flow that creates and maintains the talent pool of the firm. Also these policies must ensure that the hired employees perform well and make positive contributions to the organization's performance (Agarwala, 2007). Retention of key is one of the most important components of talent management. So any retention strategy adopted by a company needs to have information on why employees leave the organization. Berger (2004), points out that talented employees are the kings of this workforce market. The employers don't choose them but they choose their employers. They have the luxury of picking and choosing employers who offer them the right mix of currency, work life balance and growth opportunities. Retaining talent is a critical success factor for an organization's development. Retaining employees is the alignment between organizational and individual goals.

## ORGANIZATIONAL SUCCESS STORIES

**Hindustan Unilever** - HUL is a leading firm with regard to its Talent Management Practices. These practices help in attracting the right talent in the organization, developing them further and finally retaining them with the organization. Some of the successful practices and their benefits for the organization are given below:

- Every employee above the position of Manager has unlimited medical support which is not limited to any amount or a specific disease
- HUL maintained a pension policy whereby everyone could avail a pension if they retired after a particular age
- Leverine is a programme run by HUL that involves the employee's family members in social activities. This helps keep family members engaged and develops multilateral relationship with their employees
- Lister programme identifies employees with consistent outperformance over a period of

three consecutive years. These employees are then segregated from the benchmark salary bands and are offered salaries that are 30%-40% higher than what HUL's competition provides at that level. This programme reduces employee churn and ensures that poaching by competition is minimized

- Sparkle programme was launched to manage capability and talent of blue collar employees at HUL. This aids in skill development for the employees.

Through its programmes such as Leverine, Lister, and Sparkle, the company tries to cover aspects such as rewards to high performers, fast tracking career growth, enhancing employee skill and engaging family members to develop a strong connect. These management and retention practices helps in connecting employee with the organization and results in better employee retention. Thus it is no surprise that HUL has won the "Employer of Choice" award for five years in a row.

## OBJECTIVE OF THE STUDY

1. To examine the impact of Talent retention Practices on employee's performance in Indian healthcare sector.

## HYPOTHESIS

- These exists no significant difference in employees performance of employees belonged to the group of low, moderate and high talent retention practices.

## SCOPE OF THE STUDY

The key resource of every organization is its employees and the success of the organization is dependent on the available resources. Talent retention is a way to retain the most important resource of the organization. This study will help in identifying the need and importance of talent retention especially in healthcare sector which will help these institutions to better manage their resources and provide services more efficiently. This should ultimately result in better healthcare facilities for the society as a whole. Moreover organizations are in continuous rivalry with each other to attract and retain the talent globally. This study of talent management will help in overcoming the challenges associated with attracting, developing and retaining talent in changing time period. Further, the findings of the study could be of great interest for future scholars.

## RESEARCH METHODOLOGY

The present study is descriptive and exploratory in nature as the study will describe the current talent attraction practices in service sector and also seeks to explore the effect of talent attraction practices on employee performance.

The sources of data collection will be primary and secondary. Primary data for the purpose of the study is collected through questionnaire by employees of different healthcare organizations. Secondary data is collected through the literature review and through scanning hospitals document. In this study the sampling frame is all private and public healthcare organizations in India. The target population for the purpose of the study is Delhi and NCR. There are two major reason of selecting Delhi NCR and that are:

1. Nearly 5% of the total population of INDIA is residing in Delhi NCR.
2. The base of medical tourism which constitutes significant part of healthcare industry is situated in Delhi NCR.

For the purpose of the study data of 400 individuals is collected from different levels from 30 organizations. Respondents are employees of the organizations. Non-Probability Sampling Technique is used and specifically, Judgemental sampling technique is used.

For the purpose of collection of primary data researcher used questionnaire and unstructured interviews. The questionnaire is prepared on the basis of unstructured interviews of the Administration employees of the organizations.

For the purpose of collecting secondary data organizational internal HRD documents and external published or commercial data is used. Sources of secondary data are: Journals, Research papers, Newspapers, Websites, Magazines, HR Document

## SCORING METHOD

After proper interviews and an extensive literature review of the subject area, questions were generated and a questionnaire drawn up for employees for the selected 30 healthcare organizations. The questionnaire is divided into two parts. The first part consisted of 9 statement, while the second part consisted 13 statements The questionnaire was prepared with a five-point Likert scale, the first part of the has all positive items. The second part of the questionnaire has positive as well as negative items. The positive items 6,7,8,9,10,12 and the negative items 1,2, 3,4,5,11,13.

**Norms** Investigator takes a sample of 400 employees for calculation of Norms with the help of  $M \pm S.D.$  formula.

## Interpretation and classification of Raw Scores of Talent Retention Practices

(Mean = 21.51, SD = 3.96)

S. No.	Range of Raw Scores	Level
1	Above 24	Low Talent Retention Practices
2	18-14	Moderate Talent Retention Practices
3	Below 18	High Talent Retention Practices

## VARIABLES FOR THE STUDY

Talent retention is the independent variable which is measured on the basis of following elements leadership style, competitive compensation, recruitment policy, flexible working hours and non-monetary rewards. Higher the score lower is the talent retention practices in the organization.

Dependent variable is employee performance and was measured by professional competencies, research work, employee commitment and behavior with patients. Low score indicates higher employee performance.

## STATISTICAL TECHNIQUES USED

Data analysis was guided by the research objectives presented. Once the questionnaires had been administered, the mass of raw data collected from the field were systematically organized to facilitate data analysis. Quantitative data were analyzed by computer using statistical package for Social Sciences (SPSS) version 22 program. Objective of the study needed to see the impact of talent attraction practices (independent variable) on employee performance (dependent variable). To full fill this objective the researcher has used ANOVA by using SPSS-20 version.

## ANALYSIS AND INTERPRETATION

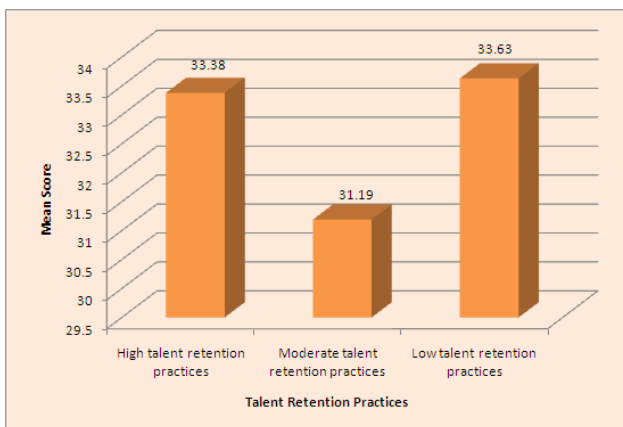
The objective of the study to find out the impact of talent retention practices on employee performance. To compare all the groups, ANOVA test was used to see the difference among three groups.

**Table 1**

**Mean Standard Deviation scores of talent retention practices of health care sector on employees' performance**

Streams	N	Mean	Std. Deviation
High talent retention practices	72	33.38	5.97
Moderate talent retention practices	260	31.19	5.15
Low talent retention practices	68	33.63	7.31
Total	400	32.00	5.81

**Note:** Lower the mean score of talent retention practices, higher the performance



**Fig.1 Mean scores of talent retention practices of health care sector on employees' performance**

**Table 2**

**ANOVA Table of talent retention practices of health care sector on employees' performance**

ANOVA  
Employee Performance

	Sum of Squares	df	Mean Square	F	Sig.
Between Groups	486.93	2	243.46	7.439	.001
Within Groups	12993.06	397	32.72		
Total	13480.00	399			

From table 2 it is evident that F value of 7.439 with df (2, 397) is significant at 0.01 level of significance. Therefore, it can be said that there is a significant difference among the three groups. It means that various categories do not pertain to the same population with regard to their mean scores. The significant mean difference in talent retention practices among the three groups i.e., high talent retention practices, moderate talent retention

practices and low talent retention practices have been calculated by using post-hoc test and presented in Table no 3

**Table 3**

**Post hoc table for talent retention practices of health care sector on employees' performance**

Tukey HSD

CAT	N	Subset for alpha = 0.05	
		1	2
Moderate talent retention practices	260	31.19	
High talent retention practices	72		33.38
Low talent retention practices	68		33.63
Sig.		1.000	.950

Means for groups in homogeneous subsets are displayed.

From the Post hoc comparison, it can be concluded that as regard to talent retention practices, a group employees having moderate talent retention practices differ significantly with the groups of employees having low and high talent retention practices, while groups of employees having high and low talent retention practices is not differed significantly with each other. It means that employees having moderate talent retention practices differ significantly with the group of employees having high and low talent retention practices.

**CONCLUSION OF THE STUDY**

Talent retention practices helps in retaining the most important source of the organization that is the employees of the organization. Even these retention practices help the employees to perform their best for their organizations. The study has shown that higher the talent retention practices, better is the employee performance. This means that talent retention practices help in matching the need of organizations and the Talent. It helps in placing the suitable candidate on a job which further helps in improving the performance of the employees because of the internal satisfaction. Findings of the study is supported by studies of kumar senthi (2016), which says that employees can be retained by applying different talent management practices like: providing adequate opportunities for career growth and opportunities, treat employees fairly – through compensation, rewards and recognition schemes, building an open environment and culture etc.

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