



## **TALENT MANAGEMENT – A KEY STRATEGY FOR EMPLOYEE RETENTION**

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### **ABSTRACT**

*Talent has a connotation of distinction. It is something that sets one part. The point to be underscored here is that talent is a commodity on short supply and comes at a price. Since it is scarce resource, it needs to be optimally managed. Management gurus and business leaders have defined talent as the people who have potential and skills or those who can successfully lead transformation and changes in the organisation. Such individuals are usually sought after in the market and their contribution to business adds direct value to its strategies and competition position in the market.*

*Each resource in the organisation plays a vital role in its success. Amongst all the available resources in the organisation, Human resource is the most crucial for the success. Managing human resources in an effective manner can lead to better chances of organisational success.*

*Talent is the critical success factor to any organization. Talent pool management is the most challenging area to any organization. The challenge of finding, attracting, developing and retaining the right talent is taking up a major part of management and once the right talent is found the next demanding job is to retain that talent.*

*The paper conceptualizes talent management and its effectiveness for organizations in present competitive business environments. The study reveals that talent management has positive significant influence on employee attitudinal outcomes and organizational effectiveness.*

*The authors would like to conclude that organizations, which are enthusiastic for gaining competitive advantage over their business rivals, need to manage their talent in vigilant and effective ways. Therefore managing talent has become one of the key strategies for employee retention.*

**KEYWORDS:** *Employee Retention, Talent Management, Employee motivation and performance and organizations performance.*

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## INTRODUCTION

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## OBJECTIVE OF THE STUDY

The primary objective of the study is

- 1) To understand the impact of Talent management as a retention tool.

Following are the secondary objective of the study:

- a) To understand the Talent Management process.
- b) To understand the various retentions strategies used by the organization.

## LITERATURE REVIEW

A set up where individuals come together and work in unison to achieve a common goal is called as organization. Individuals working together in an organization to earn their bread and butter as well as make profits are called employees. Employees are the lifeline of an organization and contribute effectively to its successful running and profit making. An organization can't survive if the employees are not serious about it and are more concerned about their personal interests.

So, it is an organization's responsibility to effectively manage the talent of its workforce to achieve business objectives. Industry is seeing many organizations are implementing integrated Talent management processes. Talent refers to the ability of learning and its expansion to face and cope with the new challenges of the dynamic environment. Talent deals with the forthcoming potential instead of past tracks. A good employer should know how to attract and retain this talent.

Today's business environment wedges the role human resource plays with the organizations. Human resource is playing its role as a strategic partner instead of supporting administrative tasks in the organizations because greatest assets of the organization are its people<sup>(1)</sup>. People though belong to diverse backgrounds possess diverse talents. This resource is very dynamic in nature at the same time this era which is of globalization employees are blessed with good opportunities. As soon as they feel dissatisfied with the current employer or with the job they switch over.

Studies have shown that most of the employees leave an organization out of frustration and constant friction with their superiors or other team members. Some of the reasons why an employee leaves the organization are mentioned below.

- ✓ No growth opportunity or no promotion
- ✓ For Salary hike
- ✓ For Higher education
- ✓ Misguidance by the company
- ✓ Policies and procedures are not conducive
- ✓ No personal life and Physical strains
- ✓ Not comfortable in the process

In an intensely competitive environment, where organizations are poaching from each other, organizations can either hold on to their employees tight or lose them to competition. For gone are the days, when employees would stick to an employer for years for want of a better choice. Retention of key productive employees is a major challenge for all organizations locally and internationally because the resulting churn created by replacing employees that voluntarily leave the organization costs the business both directly and indirectly. Organizations have to bear massive costs associated with attrition or turnover and, while some of these are not visible to the management reporting or budget system, they are none the less real.

The following are the different costs incurred to any company due to attrition-

- ✓ Recruitment Costs
- ✓ Training Costs

- ✓ Lost Productivity Costs
- ✓ New Hire Costs
- ✓ Lost Sales Costs

The management must try its level best to retain those employees who are really important for the system and are known to be effective contributors.

Employee Retention refers to the techniques employed by the management to help the employees stay with the organization for a longer period of time. Employee retention strategies go a long way in motivating the employees so that they stick to the organization for the maximum time and contribute effectively. Sincere efforts must be taken to ensure growth and learning for the employees in their current assignments and for them to enjoy their work.

Employee retention has become a major concern for corporates in the current scenario. Individuals once being trained have a tendency to move to other organizations for better prospects. Lucrative salary, comfortable timings, better ambience, growth prospects are some of the factors which prompt an employee to look for a change<sup>(1)</sup>. Whenever a talented employee expresses his willingness to move on, it is the responsibility of the management and the human resource team to intervene immediately and find out the exact reasons leading to the decision.

The performance of employees is often linked directly to quality work, customer satisfaction, and increased product sales and even to the image of a company. Whereas the same is often indirectly linked to, satisfied colleagues and reporting staff, effective succession planning and deeply embedded organizational knowledge and learning. Retention involves compensation, Environment, Growth, support, relation. Employee retention matters, as, organizational issues such as training time and investment, costly candidate search etc., are involved. Hence, failing to retain a key employee is a costly proposition for any organization.

Today, the employees want attention, interaction with bosses, performance incentives and clear direction on exactly what is expected of them. These are the basic needs of the employees - at all levels. Many companies and organizations are embracing HR talent management programs that evaluate the issues of employee retention.

To retain employee's organizations can follow 3R's of retention, which are

Respects esteem, special regard, or particular consideration given to people. respect is the foundation of keeping the employees. Recognition and rewards will have little effect if the organizations don't respect employees.

Recognition is defined as "special notice or attention" and "the act of perceiving clearly." Many problems with retention and morale occur because management is not paying attention to people's needs and reactions.

Rewards are the extra perks the organization offer beyond the basics of respect and recognition that make it worth people's while to work hard, to care, to go beyond the call of duty. While rewards represent the smallest portion of the retention equation, they are still an important one.

Employing valuable Talent Management techniques is one of the tools handy to the organizations.

Effective talent management is essential to achieving organizational excellence and a driving force for business success.

- Recruiting the most talented employees may not be the best strategy for effective talent management as high fliers tend to leave organizations more quickly thereby generating significant employee turnover costs.
- Talent development is a more complex activity than many people responsible for HR in organizations realize.
- Coaching and mentoring are business tools of the 21st century and mentors enhance and can ensure the professional development and success of existing and new talented employees in organizations.

Organizations should do effective talent management by way of performance management, succession planning/decision analytics, targeted selection/talent reviews, development planning and support, career development, workforce planning and recruiting. Despite findings confirming that employees reach a decision to leave their current employer for something better, the leaving process remains a very complex process.

Before implementing the talent management activity in the organization, there are some questions to be addressed by the management, such as:

- ❖ Is my corporate talent management strategy effectively developing the skills of the individual team members to meet the requirements of their position?
- ❖ Does the organization have a talent management process in place that is customized to the unique needs of the organization and its employees?
- ❖ Are the employee development efforts maximizing the unique potential of each team member?

The talent management process that can be followed in the organization which will help in employee retention can be

- ✓ Identify top performing team members and develop strategies to ensure they stay with the organization
- ✓ Identify the reasons why an employee will leave before they are ever hired
- ✓ Select and hire great employees who are well fit for the job and the organizational culture

- ✓ Improve communication and morale - two key elements that affect employee retention
- ✓ Determining growth opportunities for team members and develop customized training that will improve performance

## **CONCLUSION**

A well planned employee development and talent management program in an organization leads to a win-win situation for both the organization and employees, which can be:

- ✓ Employee development encourages employee engagement which is essential to a high performance workplace
- ✓ Strategic talent management improves the skills and talents of the team members and increases the performance of the team
- ✓ Team members enjoy the feeling of personal growth and satisfaction that comes from the opportunity to develop their skills and better contribute to their team
- ✓ Employee development can have a dramatic effect on the level of employee retention in the firm. Simply put, engaged employees with the opportunity for personal and professional growth are more likely to stay with the organization
- ✓ Employee Training and development is an investment in the organization that can provide a significant Return on Investment when tailored to the unique needs of the individual team members
- ✓ Talent management is an essential part of any effective succession plan designed to ensure the health and vitality of the organization for years to come.

Employee Retention is like a large puzzle with many pieces<sup>(4)</sup>. No one piece can complete the puzzle; rather it takes a lot of different pieces and efforts to see the whole picture. One of the pieces that helps complete the employee retention puzzle is the use of effective talent management techniques followed in the organization.

When done strategically and executed effectively, investments in employee development can pay huge dividends that will take your organization to the next level of success.

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