



THE IMPACT OF CONTEMPORARY PRACTICES OF TALENT ACQUISITION, RETENTION, DEVELOPMENT AND ENGAGEMENT IN STRENGTHENING THE PERFORMANCE OF THE ORGANIZATION: AN EMPIRICAL STUDY

Dr. Nirmala M. * Pratima Pandey**

*Assistant Professor, CBSMS, Bangalore University, Bangalore, India.

**Research Scholar, CBSMS, Bangalore University, Bangalore, India.

Abstract

Management of crucial talent plays a vital role in the survival of the organization. It is more challenging in this global, dynamic and highly competitive environment. The presence of talented people having commitment, will power and team spirit motivates other employees and brings a positive impact on the performance and growth of the organization. One of the biggest challenges faced by IT companies all over the world is building & sustaining a strong talent pipeline. The IT companies are expanding at a rapid pace and the issues related to talent management are manifold. It is a herculean task to find the right solution for these problems. The organizations are trying their best to acquire, develop, engage and retain their strong performers. This article tries to explore the impact of contemporary practices of talent acquisition, retention, development and engagement in strengthening the performance of the organization.

Keywords: - Talent acquisition, talent development, talent retention, employee engagement, performance of the organization

INTRODUCTION

In today's volatile and uncertain environment, the organizations have to acquire, develop, engage and retain their best talent. There is a need to build a culture in the organization which can promote its competitive advantage. Organizations which implement the best practices of talent acquisition, development, engagement and retention are more prepared than their competitors to compete in the global economy and capitalize quickly on the new opportunities. The organizations will be truly successful only when they do more than adapting to long term trends, they must be able to anticipate and exploit the new avenues before the rest of the market. An organization's talent injects the capabilities that are very difficult for the competitor's to benchmark and replicate. Managing talent in the skilful way promotes efficiency and productivity of the organizations.

REVIEW OF LITERATURE

According to **Huselid, 1995**, the two main routes through which firms can ensure their employees are suitable, is done by recruitment and selection practices that ensure capable individuals are hired in the first place and then providing them training.

According to **Becker & Huselid, 1998**, the ultimate goal of a business organization is higher financial performance or maximization of wealth for stakeholders.

Hyman, 2004, is of the view that sustained competitive advantage comes from talent management practices as it can create the most permanent competitive advantage. How the organization attracts, develops, retains, motivates, manages and rewards its talent, plays a significant role in the organizational performance.

Snell, 2005, has emphasized that if the firm wants to be successful, it should invest in talent management of its workers and also create a good business environment.

Ingham, 2006, has considered that people who are in key positions and who have rare capability; they should be recognized as the prime source of sustainable competitive advantage in high performance organization.

According to **Davis et al.2007**, talent management is important when the firms would like to build winning teams which is formed by talented people. Since these teams consist of competent and experienced people they can solve the organization problems.

According to **Katou & Budhwar, 2007**, organizational performance is generally indicated by effectiveness (whether an organization can achieve its objectives), efficiency (whether an organization uses resources properly),



satisfaction of employees and customers, innovation, quality of products or services and ability to maintain unique human pool.

According to **Lawler, III, 2008**, success of any organization is based upon talent management practices which provide competitive advantage in the marketplace. It is widely accepted that human resources add value to the organization. The collective skills of the talent employed in the organization largely comprise the organization's core capabilities. Talented employees provide the potential for the long term competitive advantage to the organization.

Cheese et al, 2008, have emphasized that talent is used as an all-encompassing term to describe the human resources that organization wants to acquire and develop in order to meet their business goals.

Katou & Budhwar, 2010, have done the research on a small sample of 178 organizations operating in a Greek manufacturing sector. The results indicate that the impact of human resource policies on the performance of the organization is fully mediated by employee skills, attitude and behaviour.

OBJECTIVES

1. To assess the impact of contemporary practices of talent acquisition in strengthening the performance of the organization.
2. To evaluate the impact of contemporary practices of talent retention in strengthening the performance of the organization.
3. To study the impact of contemporary practices of employee engagement in strengthening the performance of the organization.
4. To find out the impact of contemporary practices of talent development in strengthening the performance of the organization.



Source:- Optimis 2011 HRM strategy for Success.



RESEARCH METHODOLOGY

The study is descriptive and empirical in nature. It is based on primary data collected from various sample of organizations. The research is quantitative in approach. Primary data has been collected through structured questionnaire. Secondary data has been collected through journals, books etc. The questionnaire was closed ended and is based on Likert five point scales. Out of 314 companies which are listed in NASSCOM, ten leading companies are selected. The selection of these companies have been based on convenience sampling, although certain criteria to select the companies like the number of years in operation(i.e. minimum of ten years) and number of employees(i.e. minimum of 1000 employees) have been used.

Issues and Challenges of Talent Acquisition, Development, Engagement and Retention

Talent acquisition

- Given the volatility of business today, recruitment needs are in flux.
- There is a shortage of required skills available in the labour pool.
- There is a pressure to meet organization's growth objectives.
- There is a trouble sourcing enough qualified candidates to fill openings.
- Traditional sourcing tools like job boards are losing their lustre, forcing recruitment departments to rethink time tested tools and strategies.

Talent Retention

- Compensation is critically important but it is by no means the only driver to retain the employee in the organization.
- Job fit is critically important but if the organizations are overselling the job it will suffer high turnover.
- Apart from having other benefits like work life balance, good compensation etc. younger employees are more motivated by growth, career, opportunity and meaning.
- The non-monetary benefit plays an important role in millennial life. For them work environment of the organization matters and they emphasise on recognition, engagement, leadership and management.

Employee engagement

- The organization's employee engagement strategy is not part of the business plan.
- Organizations don't have a clear employee engagement strategy.
- Organizations do not measure employee engagement in a holistic and regular way.
- There is no accountability and responsibility of the employees.

Talent development

- Gaps in the leadership pipeline remain an urgent issue, and there has been almost no progress for prior years.
- There is a challenge how far the employees are able to learn. In this rapidly changing world, success & survival of the organization depends on the employee's ability to learn faster & accelerate the development of the firm.
- There is a challenge of leading the people in the organization. The workforce is categorized into three categories, first who simply practice their craft with ever increasing challenges, second those who want to move from project to project, and third those who want to finish their work and go home.
- The organization has a challenge of adapting the organization to the increasingly dispersed workforce as the employees are no longer confined to the offices only.
- The organization has a challenge of training their employees on emphasising more on adapting and less on planning, as the environment is dynamically changing.



Organization & people dimension	Possible Intervention
Leadership	<ul style="list-style-type: none"> ▪ Measure the impact of leadership appointments & intervene accordingly. ▪ Optimize the time & energy spent on increasing the variety of stakeholders. ▪ Establish a forward looking leadership profile for recruitment purposes.
Design	<ul style="list-style-type: none"> ▪ Increase span of control and reduce layers & the size of management risks. ▪ Realign the organization structure with strategic priorities and make appropriate trade-offs. ▪ Redevelop the role of middle managers to drive impact and engagement.
People	<ul style="list-style-type: none"> ▪ Assess future talent needs and align recruiting with them. ▪ Redesign the employer brand to resonate with employees and recruits & differentiate from competitors. ▪ Refresh the people development strategy to include divisional and regional rotations for future leaders.
Change Management	<ul style="list-style-type: none"> ▪ Build mechanism to track the impact of corporate initiations and anticipate when they might be at risk. ▪ Develop a disciplined implementation process that assigns individual accountability. ▪ Empower leaders and middle managers, providing them the flexibility to anticipate and adapt to changing conditions.
Culture & Engagement	<ul style="list-style-type: none"> ▪ Define the desired culture required to enable strategy. ▪ Refine recruiting criteria to ensure that cultural aspirations are clearly reflected. ▪ Assign horizontal accountabilities to drive cross enterprise collaboration and engagement. ▪ Identify groups with missing or inappropriate career paths & make adjustments to drive engagement.

Source: - BCG matrix High performance organizations know the best ways to stay on track

Hypothesis

H₀₁= There is no significant impact of contemporary talent acquisition practices in strengthening the performance of the organization.

H_{a1}= There is a significant impact of contemporary talent acquisition practices in strengthening the performance of the organization.

H₀₂= There is no significant impact of contemporary talent retention practices in strengthening the performance of the organization.

H_{a2}= There is a significant impact of contemporary talent retention practices in strengthening the performance of the organization.

H₀₃ = There is no significant impact of employee engagement practices in strengthening the performance of the organization.

H_{a3}= There is a significant impact of employee engagement practices in strengthening the performance of the organization.

H₀₄= There is no significant impact of talent development practices in strengthening the performance of the organization.

H_{a4} = There is a significant impact of talent development practices in strengthening the performance of the organization.



ANALYSIS & INTERPRETATION

a) Impact of contemporary talent acquisition practices in strengthening the performance of the organization

Model Summary				
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.858 ^a	.737	.734	.2549961
a. Predictors: (Constant), AV1				

This table provides the R and R square values. The R value represents the simple correlation and is 0.858, which indicates a high degree of correlation. The R square value indicates how much of total variation in the dependent variable, strengthening the performance of the organization is explained by independent variable, contemporary talent acquisition practices. In this case 73.7% can be explained.

ANOVA ^a						
Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	17.851	1	17.851	274.535	.000 ^b
	Residual	6.372	98	.065		
	Total	24.223	99			
a. Dependent Variable: AV5						
b. Predictors: (Constant), AV1						

The above table is ANOVA, which reports how well the regression equation fits the data (i.e. predicts the dependent variable). This table indicates that the regression model predicts the dependent variable significantly well. The F ratio tests whether the overall regression model is a good fit for the data. The table shows that the independent variable statistically and significantly predicts the dependent variable (1, 98) =274.535, p<0.0005(i.e. the regression model is a good fit of the data).

Coefficients ^a						
Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	1.088	.179		6.081	.000
	AV1	.704	.043	.858	16.569	.000
a. Dependent Variable: AV5						

The Coefficient table provides us with the necessary information to predict dependent variable (strengthening the performance of the organization) from independent variable (contemporary talent acquisition practices). It also determines that independent variable contributes significantly to the model. Unstandardized coefficients indicate how much the dependent variable varies with an independent variable.

This proves the first alternative hypothesis that there is a significant impact of contemporary talent acquisition practices in strengthening the performance of the organization.

b) Impact of contemporary talent retention practices in strengthening the performance of the organization

Model Summary				
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.843 ^a	.710	.707	.2677203
a. Predictors: (Constant), V4				

This table provides the R and R square values. The R value represents the simple correlation and is 0.843, which indicates a high degree of correlation. The R square value indicates how much of total variation in the dependent



variable, strengthening the performance of the organization is explained by independent variable, contemporary talent retention practices. In this case 71.0% can be explained.

ANOVA ^a						
Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	17.199	1	17.199	239.965	.000 ^b
	Residual	7.024	98	.072		
	Total	24.223	99			
a. Dependent Variable: V5						
b. Predictors: (Constant), V4.						

The above table is ANOVA, which reports how well the regression equation fits the data (i.e. predicts the dependent variable). This table indicates that the regression model predicts the dependent variable significantly well. The F ratio tests whether the overall regression model is a good fit for the data. The table shows that the independent variable statistically and significantly predicts the dependent variable (1, 98) =239.965, p<0.0005(i.e. the regression model is a good fit of the data).

Coefficients ^a						
Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	1.102	.190		5.788	.000
	V4	.701	.045	.843	15.491	.000
a. Dependent Variable: V5						

The Coefficient table provides us with the necessary information to predict dependent variable (strengthening the performance of the organization) from independent variable (contemporary talent retention practices). It also determines that independent variable contributes significantly to the model. Unstandardized coefficients indicate how much the dependent variable varies with an independent variable.

This proves the second alternative hypothesis that there is a significant impact of contemporary talent retention practices in strengthening the performance of the organization.

c) Impact of contemporary employee engagement practices in strengthening the performance of the organization

Model Summary				
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.850 ^a	.722	.719	.2622474
a. Predictors: (Constant), V7				

This table provides the R and R square values. The R value represents the simple correlation and is 0.850, which indicates a high degree of correlation. The R square value indicates how much of total variation in the dependent variable, strengthening the performance of the organization is explained by independent variable, contemporary employee engagement practices. In this case 72.2% can be explained.



ANOVA ^a						
Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	17.484	1	17.484	254.218	.000 ^b
	Residual	6.740	98	.069		
	Total	24.223	99			
a. Dependent Variable: V8						
b. Predictors: (Constant), V7						

The above table is ANOVA, which reports how well the regression equation fits the data (i.e. predicts the dependent variable). This table indicates that the regression model predicts the dependent variable significantly well. The F ratio tests whether the overall regression model is a good fit for the data. The table shows that the independent variable statistically and significantly predicts the dependent variable (1, 98) =254.218, $p < 0.0005$ (i.e. the regression model is a good fit of the data)

Coefficients ^a						
Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	1.089	.186		5.858	.000
	V7	.702	.044	.850	15.944	.000
a. Dependent Variable: V8						

The Coefficient table provides us with the necessary information to predict dependent variable (strengthening the performance of the organization) from independent variable (contemporary employee engagement practices). It also determines that independent variable contributes significantly to the model. Unstandardized coefficients indicate how much the dependent variable varies with an independent variable.

This proves the third alternative hypothesis that there is a significant impact of contemporary employee engagement practices in strengthening the performance of the organization.

d) Impact of contemporary talent development practices in strengthening the performance of the organization

Model Summary				
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.845 ^a	.714	.711	.2660248
a. Predictors: (Constant), V10				

This table provides the R and R square values. The R value represents the simple correlation and is 0.845, which indicates a high degree of correlation. The R square value indicates how much of total variation in the dependent variable, strengthening the performance of the organization is explained by independent variable, contemporary talent development practices. In this case 71.4% can be explained.

ANOVA ^a						
Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	17.288	1	17.288	244.286	.000 ^b
	Residual	6.935	98	.071		
	Total	24.223	99			
a. Dependent Variable: V11						
b. Predictors: (Constant), V10						

The above table is ANOVA, which reports how well the regression equation fits the data (i.e. predicts the dependent variable). This table indicates that the regression model predicts the dependent variable significantly



well. The F ratio tests whether the overall regression model is a good fit for the data. The table shows that the independent variable statistically and significantly predicts the dependent variable (1, 98) =244.286, $p < 0.0005$ (i.e. the regression model is a good fit of the data).

Coefficients						
Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	1.068	.191		5.590	.000
	V10	.706	.045	.845	15.630	.000

a. Dependent Variable: V11

The Coefficient table provides us with the necessary information to predict dependent variable (strengthening the performance of the organization) from independent variable (contemporary talent development practices). It also determines that independent variable contributes significantly to the model. Unstandardized coefficients indicate how much the dependent variable varies with an independent variable.

This proves the fourth alternative hypothesis that there is significant impact of contemporary talent development practices in strengthening the performance of the organization.

Pragmatic strategies which should be implemented by the organizations to mitigate the challenges

Talent acquisition

- It is very important for the organization to know, how many people the business need and when. Workforce planning involves modelling the labour supply and demand for different areas within the organization. Tying the size of the workforce to business plan is the key to success. In order to determine the size of the workforce needed the organization has to look to its internal capacity balance against attrition and retirement. Recruiting targets must be aligned with both current and future needs of the organization.
- Employer branding is developed from having a true understanding of what the organization brand means to employees or potential employees in the marketplace. Creating a winning value proposition is essential. This proposition must be tailored to each potential group. It must emphasize on the type of exciting work within the organization, how great the organization is to work for, the wealth and reward that is associated with specific roles and development opportunities within the organization. The organization's best advertising comes from its internal employees. If they understand the employee value proposition they become evangelists in the marketplace.
- Recruiting strategy needs to target specific labour pools for certain positions through different channels. There are four online channels (i.e. organization's websites, job portals, online advertising and social media pages) and four traditional methods (i.e. employee referrals, partnerships with colleges or universities and using external suppliers for targeted groups). It is important to diversify recruiting channels by using online and more traditional sources to ensure the broadest section of talent is exposed to the recruiting efforts of the organization.
- Recruiting processes need to be fast and effective. A quick response to interested candidates and tracking of this response from initial contact to boarding is vital to maintain flow and keep interested candidates moving through the process. There should be a plan prior to recruiting regarding interview process and structure, offers prepared and presentation of offer. The planning process is essential to deliver the calibre of employees needed within specific time frames.
- Bringing a new employee on board is crucial for employee retention and is an ideal opportunity to gain an understanding of personal development needs for the new employee. Initial training, mentorship and



setting out a personal development program are all keys to motivation and enable new employees to perform their best.

- Retention efforts powerfully underscore the integrated nature of talent acquisition. Without it all of the preceding planning and recruiting steps are of no use. The definition of career tracks within the organization and discussing these paths with the potential employees goes a long way to develop a long term relationship.

Talent Retention

- Good retention practices focus not only what the employee is contributing to the company, but also focus on how the manager can create a climate so that the employee is retained and committed on a long term basis. The managers play a significant role in influencing the employee's commitment and retention. Therefore most of the organizations are emphasizing on manager's retention practices.
- There are number of organizational systems and processes that influence retention. E.g. pay scales. Other systems are less obvious and their impact on retention is often unrecognized. There is a need to emphasise on Organization Retention Systems that not only support the Management Retention Practices, but they also increase the likelihood that employees are committed on a long term basis and are performing at their best.
- The organizations should emphasize on measurability and accountability. Many organizations do not even know what their attritions rates are. And those that do often lack enough data to pinpoint where the problem is most severe, or to uncover the specific causes of attrition. Measurement goes hand in hand with accountability. Organizations must hold their managers personally accountable for retention. They must also hold their corporate staff accountable for developing, maintaining and upgrading their retention systems. When retention is relegated to the status of being a human resource issue, it often falls to the bottom of the priority list for managers, but when it becomes one of the business goals it is seen from a new perspective.

Employee Engagement

- There is a critical shift in organization's philosophy. Over the past thirty years employee engagement has become an important part of the organization. The organizations must create an effective employee engagement strategy that aligns with the organization's business plans. This will lead to customer satisfaction also.
- Since the organizations are becoming flatter, there is a shift from a proto type top down model to one in which employee's ideas are at the heart of strategic decision making. In this way the employees are engaged and they have a sense of pertinence to the success of the company.
- The annual survey continues to be an important part of measuring engagement and is critical for benchmarking engagement issues. The organizations are using these surveys to measure the heartbeat of the organization, to catch emerging engagement problems as well as in determining if efforts to improve engagement are working.
- Organizations are creating a culture in which employees feel that they are part of the process and are accountable for their actions. Since organization is flattening out, each individual is responsible for its part in the whole. This sense of autonomy and valuing each employee works as a key contributor in toppling down the archaic top down model.

Talent development

- The talent development hardly stops with the organization's high potentials. Those companies who follow it undermine its own potential and growth. Smart development is approached with an abundance mentality and they have the attitude of inclusiveness rather than exclusiveness. Organizations have to go beyond the development of high potentials and give all their employees a chance, put managers in the lead and produce more and better results.



- Performance and development should be interlinked. Managers should be given the task of intrinsically tying the productivity and performance of the business. This means that managers should be equipped to seize everyday learning opportunities while getting things done.
- The development of the employees is not the sole responsibility of human resource department of the organization. As seventy percent of the learning happens through on the job experience, the managers should be given the task of developing the employees. HR can match formal programs with everyday development expectations and in so doing maximize the intensity and impact of training. This will be a winning proposition for the organization.
- Organizations spend billions in training programs and technology, yet by all accounts the return of investment is unclear. Managers should be given the task of developing the employees as they have the ability to consistently connect development to the priorities of the business. At the same time, they can play on people's strengths, promote creative risk taking and provide new challenges- things training programs can support but not sustain.
- Learning should be reinforced. Learning is not real until it is practically implemented. Development is most meaningful if it occurs every day, on the job, with managers skilfully in the lead.
- There is a need to reinforce shared values. Employees should be able to link their everyday tasks and responsibilities to the values in the organization.
- The problems should be leveraged as opportunities for real world learning and development.

CONCLUSION

This paper has explored that continued effective performance of the organization is a result of persistently following the above mentioned practices. An organization depends on the talent pool for their sustainability in the future, therefore it is imperative that potential talent should be harnessed, nurtured and developed in the best possible manner. This study further consolidates the fact that organizations can have a competitive advantage over other organizations, if they implement the different practices with careful planning and integrate it with overall business strategy. Therefore, it can be concluded that contemporary practices of talent acquisition, development, engagement and retention have a significant impact on corporate profit and in strengthening the performance of the organization.

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