

# Effect of Talent Management Practices and Organisational Performance on Employee retention: Evidence from Indian IT Firms

Ms.Tamanna Agarwal<sup>1</sup>

<sup>1</sup>Department of Humanities & Social Sciences

<sup>2</sup>Jaypee University of Engineering and Technology, Guna, (M.P.) India - 473226

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**Abstract:** Couple of years back, home-grown e-commerce player Snapdeal made a claim that India lacked talented programmers to meet their needs (Thoppil, 2015). This assertion reemphasized the importance of talented employees and their skills in the success of any organisation. Understandably, a lot of research efforts have been made in last two decades to tackle issues related to employee retention. This study examined the role of talent management practices and organisational performance on employee retention in the Indian IT sector. Based on literature review, three leading hypotheses were formed. Primary data was collected from 33 IT firms, leading to a total of 68 responses. Based on statistical analysis using SPSS 21.0, correlations between the variables were studied. Additionally, regression was also performed between the dependent and independent constructs. The results revealed that significant relationship was found between talent management and employee retention. On the other hand, organisational performance, on its own, didn't emerge as a driving factor for employee retention. However, along with talent management practices, organisation performance was found to have significant effect on employee retention.

**Keywords** – talent management, organisational performance, employee retention, employee engagement, productivity

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## I. Introduction

Employee retention and talent management have been a critical issue for many organisations across the globe and an equal challenging situation for HR managers. According to an estimate, the cost of losing an employee range between one to 2.5 times the employee's salary (Florentine, 2018). With high employee turnover, enterprises always face the risk of lower productivity, decreased employee engagement, increased training costs and an undesirable reputation of employee attrition. Companies do realise the impact of employee retention on the long term growth and success of their organisations, especially in the competitive Indian IT (Information Technology) industry. Technological advances and global competition are the main drivers of changes in employment patterns leading to intense competition between employers to attract and retain talented workers (Osborn-Jones, 2001). According to Flegley (2006), competition and the lack of availability of highly talented and skilled employees make finding and retaining talented employees a major priority for organizations. Employees who stay longer with any company, they become more productive as they become more familiar with the work culture and they also inspire other employees to be more loyal, engaged and attached towards the company. As a result, a lot of companies nowadays are putting a lot of effort in talent management practices that encourage the employees take pride while working for their company.

In literature, talent management is defined as process to attract, develop and retain high potential performers from outside as well as within the organization. It is actually a continuous process of external recruitment and selection and internal development and retention. This is achieved through talent acquisition. Talent acquisition is a proactive approach for long-term perspective in which high talent are recruited not for only current positions but for future positions which are not yet known but is expected to be there in future. Moreover, talent acquisition not only involves talent identification and development but also talent engagement and retention in the organization. According to Lewis and Heckman (2006, p. 139), they found three important perceptions for talent management. The first is that talent management is comprised of "a collection of typical human resource department practices...such as recruiting, selection, development and career and succession management" (Byham, 2001; Chohanec and Newstrom, 1991; Heinen and O'Neill, 2004; Hilton, 2000; Mercer, 2005; Olsen, 2000). This concept argues that talent management is little more than traditional HRM. Lewis and Heckman's (2006) second conception of talent management more specifically

focuses on predicting or modeling (in support of managing) the flow of human resources throughout the organization, based on such factors as workforce skills, supply and demand, and growth and attrition. This conception accounts for talent management being more or less similar to HR planning, if particularly connected with other organizational databases and systems. The third and final perspective on talent management identified by Lewis and Heckman (2006) focuses on sourcing, developing and rewarding employee talent i.e. a focus on a select few versus all employees (high potential employees). Now for defining what talent is, Morton (2004) proposed talent as "individuals who have the capability to make a significant difference to the current and future performance of the company". And also talent of the organization is the key employee with distinguished performance and competence who is able to provide competitive advantage to the organization. This perspective of talent management has seen evidential success in terms of organizational performance and realized gains in sales and profitability.

This study is going to look into the impact of talent management on employee retention and analyse whether organisation performance can influence employee retention. In addition to this, another objective is to explore how these three variables are interrelated in support to various organizations in the field of IT.

## **II. Literature Review and Hypotheses**

A quite valuable research has been done in the sphere of talent management in organizations in several countries and in various sectors. According to Margaret Deery (2008), work-life balance (WLB) issues play an important role in an employee's decision to stay or leave an organization in reference to hospitality and tourism industry. The key outcomes of this research lead to the relationship among job attitudes such as job satisfaction and organisational commitment. According to Mehdi Boussebaa and Glenn Morgan (2008), there was huge difference in culture and work-life between UK and France when they implemented the transnational talent management system which proved to be a complete failure. This was due to the different conception about talent in UK and France.

According to Pallavi Srivastava and Jyotsna Bhatnagar (2008), by reflecting recruitment and culture need fit, an environment is created at the workplace where employees feel more passionate about their work and exhibit the behaviours that organizations need to drive better results. They also investigated the relationship between talent acquisition and employee engagement which in turn lead to employee retention. Both researchers argued that with better talent acquisition, employee engagement improves and so does the productivity. Thus, better is the recruitment-culture-need fit, the higher would be the engagement and lesser will be the attrition. On the same lines, another study asserted that "the organizations should keep on educating its employees to meet the ever-increasing technical demands after recruitment" (Rakesh Sharma and Jyotsna Bhatnagar, 2009).

Xin Chuai, David Preece and Paul Iles (2008) pointed out that TM is not just traditional HRM instead it incorporates new knowledge and ideas to achieve the goals and objectives of the organization. The main difference between HRM and TM was attributed to HRM's focus on development of overall staff and its emphasis on egalitarianism whereas TM focuses on a particular group of people who have been identified as high potential performers. Ralf Burbach and Tony Royle (2010) found that recessionary trends in the world economy and an associated loose labour market may evidently ease the pressure on firms to manage talent. They also reiterated the fact that the potential pool of highly skilled managerial talent remained limited. It can be argued that large MNCs are increasingly rolling out computerised talent management systems (TMS) to support their quest for talent (Schweyer, 2004). TMS are frequently incorporated into and used alongside Human Resource Information Systems (HRIS), which in turn can form part of an ERP. The increasing importance of these TMS in managing talent has been highlighted in a number of publications (Berger and Berger, 2003; Blass, 2007; Blass, 2009; Frank and Taylor, 2004).

Thus, talent management strategies in an organization helps in reducing attrition rate thereby improving employee retention and organizational performance as the employees are engaged, motivated and satisfied. This also benefits the organization in a way that talent management allows the organization to plan most potential candidate to become the future leader whenever certain position is vacant. So, in-house recruitment takes place in terms of succession planning, which is a proactive approach of talent management.

The other variable in which this study is interested is organisational performance. Generally, organisational performance is referred to achievement of objectives such as extraordinary profit, delivering high quality products, increased market share and good financial results. Accomplishments of these goals for an organisation reflect the productivity and engagement levels of its employees. In other way, these targeted goals are only achieved when the organisation care for and develop its employees so that they deliver on dotted lines. It is, therefore, important for the organisations to achieve their goals in competitive world, so that their employees are adequately motivated and encouraged towards their tasks and assignments.

Overall, this study aims to test a model where talent management and organizational performance are hypothesized not contributing uniquely and positively to employee retention. With this goal in mind, this study is designed to test the following hypotheses:

- H1. Organizational performance is not significantly related to employee retention.
- H2. Talent management practices do not have a positive influence on employee retention.
- H3. Talent management and organizational performance as a whole has no impact on employee retention.

### III. Research Methodology

#### Questionnaire Instrument

To achieve the objective of this study, a self-structured survey instrument was developed containing close-ended online questionnaire and was uploaded as Google forms. Based on extant literature, a total of 31 items were used for the survey under Organizational performance, Employee retention and Talent Management identified from the literature. The bifurcations of these items under the three variables are shown below:

- 1. Organizational performance (11 items)
- 2. Employee retention (10 items)
- 3. Talent Management (10 items)

#### Data Collection

For primary data collection, the online questionnaire was sent to approximately 200 IT firms of different sizes through email and the responses were stored in Google Docs spreadsheet. The online survey was conducted for over a period of two and a half months. The online questionnaire was mailed to approximately 310 email ids of IT firms in India. Compared to traditional paper-and-pencil instruments, computerised online instruments have grown more popular for their flexibility, cost effectiveness and efficiency, especially for accessing large samples across different geographic locations. It is also reliable, socially acceptable, and participant answers are more frank and truthful (Konradt et al., 2003). Since the response to mailing questionnaire was less than expected, the reminder questionnaires were again sent to various IT firms. As a result, the final sample consisted of 33 Indian IT firms providing altogether 68 responses. Out of 68 responses obtained 75% were male respondents and 25% were female respondents. HR Managers and other functional managers were contacted in IT firms, as they are generally at a relatively middle and upper level in the organizational hierarchy, and could therefore provide information regarding the employee retention, organizational performance and talent management practices within the organization. The questionnaires were administered to some employees of the organization as well (such as team lead) so as to reduce biasness in the responses, since responses were taken from HR managers who could be biased in their responses.

The Likert 5-point scale was used in the questionnaire i.e. 1-“Strongly Disagree” to 5-“Strongly Agree”. In total, the gathered 68 responses provided a response rate of 31.7 %. These comprised 20 responses to the initial distribution of the surveys and a further 15 responses to the follow-up mailing and other responses.

The demographic variables in the survey included:

- 1. Age
- 2. Gender
- 3. Designation of job
- 4. Location

And other variables included respondent’s years of experience, name of the organization they are working in, approximate employee strength in the organization. The demographic profile of respondents is summarised in Table 1.

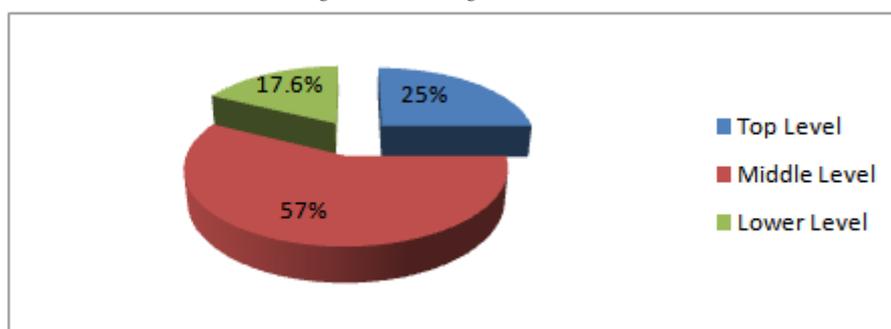
Table 1: Respondents’ Profile

Category	Frequency	Percent
Age		
21-30	23	33.8%
31-40	24	35.2%
41-50	16	23.5%
51-60	5	7.35%
Employee strength		
>1000	9	13.2%
1000-1500	5	7.35%
2000-2500	3	4.44%
<2500	51	75%
Location		
Bangalore	6	18.18%
Delhi and NCR	11	33.33%
Pune	7	21.21%
Mumbai	5	15.15%
Other cities	4	12.12%

From Table 1, it is evident that majority of respondents lies in the age group of 31-40 years having a percentage of 35% and others in the age group of 21-30, 41-50 and 51-60 with the respective percentages of approximately 33%, 23% and 7%. Table 1 also shows that major chunk of responses came from Delhi and NCR with 33.33% contribution while other cities accounted for 66.67% which included Bangalore, Pune, Hyderabad, Chennai and Mumbai.

Figure 1 shows the ratio of respondents from various levels of management. Since the study required analysis of HR practices such as talent management and employee retention strategies in an organization in addition to firm's performance, the survey was focused mainly on top level management (25% response rate) and middle level management (HR manager, Project manager and other functional heads) which accounted for 57% response rate in the survey. In order to improve the biasness in the findings, the survey was also administered by lower level management with response rate of 17%.

*Figure 1: Management Levels*



#### **IV. Data Analysis and Results**

Using Statistical Package for the Social Sciences (SPSS) 16.0, four statistical tests were employed to test study hypotheses. Firstly, reliability analysis was conducted. Then, correlation analyses were used to identify the relationships between factors identified for variables i.e. employee retention, organizational performance and talent management using factor analysis. Finally, linear regression analysis was used to examine the relationships between predictor and response variables (i.e. impact of talent management practice on employee retention; relationship between organizational performance and employee retention).

This research investigated the extent to which talent management and organizational performance contributed to employee retention in an organization. The participants were management professionals. A detailed analysis of the level of employee retention in respect to each of the two dimensions of talent management and organizational performance was also undertaken. The results of this study are presented in two parts of analysis. Firstly, the reliability, factor and correlation analyses are reported. Subsequently, linear regression models are tested and then, the results of hypothesis testing are reported.

Cronbach's reliability analysis was used to test study scales of respondents' self-rating of employee-retention practices, talent management and organizational performance. The reliability coefficient Cronbach's alpha for 31 items was found to be 0.738 which indicates moderate reliability of the data and reaches to an acceptable level i.e. greater than .7 (Gliem and Gliem, 2003). This result measure the internal consistency of items (Table 2).

Table 2: Reliability analysis (SPSS 16.0)	
Cronbach's Alpha	N of Items
.738	31

#### **Factorial validity of variables**

##### *Organizational performance*

The factor-analyzed items measuring organizational performance using principal component factor analysis followed by varimax rotation is shown in Table 3. Four factors of organizational performance were found as reported in Table 3. Factor 1 consists of items that reflect Innovative Quality Work Environment. This factor accounted for 34.29% of the variance. Factor 2 contains item in product to market time. It explained 16.52% of the variance. Factor 3, which measures customer service metrics, accounted for 13.85% of the variance. And Factor 4, which measures revenues of the company in past 3 years, explained 11.73% of variance.

Table3: Factor structure of Organizational Performance

	Factor 1	Factor 2	Factor 3	Factor 4
<b>1. Innovative Quality Work Environment</b>				
High Employee engagement	.817*	.116	.160	-.266
Improved Quality of goods	.722*	.289	.386	-.093
Conducive Work Environment	.744*	.113	-.190	-.528
High Innovation	.709*	-.038	-.491	.101
Better Productivity Levels	.848*	-.245	.186	-.130
<b>2. Product to market time</b>	.330	.814*	-.083	.169
<b>3. Customer service metrics</b>	.124	.378	.649*	.472
<b>4. Revenues</b>	.366	.384	-.442	.582*
Percentage of variance accounted for	34.29%	16.52%	13.85%	11.73%

\*Factor loading of .40 and above

Employee Retention

The factor-analyzed items measuring employee retention using principal component factor analysis followed by varimax rotation is shown in Table 4 indicating four factors of employee retention. Factor 1 consists of items that reflect Retention strategy. This factor accounted for 28.17% of the variance. Factor 2 contains item in employee stress. It explained 17.76% of the variance. Factor 3, which measures organization’s talent awareness, accounted for 15.64% of the variance. And Factor 4, which measures brand loyalty of the company in past 3 years, accounted for 11.39% of variance.

Table4: Factor Structure of Employee retention

	Factor 1	Factor 2	Factor 3	Factor 4
<b>1. Retention Strategy</b>				
Low Turnover rate	.644*	-.613	.062	-.151
Reduced Customer attrition	.606*	-.576	-.256	-.017
Enhanced Customer experience	.649*	.357	-.103	.296
More expense of time and money on retention	.597*	.383	.223	-.449
Measurement of effects of retention strategies	.839*	-.055	.062	-.324
<b>2. Employee Stress</b>	.158	.793*	-.058	-.157
<b>3. Organization’s talent awareness</b>	-.024	.016	.844*	.138
<b>4. Brand Loyalty</b>	.459	-.032	.169	.788*
Percentage of variance recorded	28.17%	17.76%	15.64%	11.39%

\*Factor loading of .40 and above

Talent Management

The factor-analyzed items measuring talent management using principal component factor analysis followed by varimax rotation is shown in Table 5 indicating two factors of talent management. Factor 1 consists of items that reflect Recruitment and development. This factor accounted for 42.65% of the variance. Factor 2 contains item in tracking performance and progress of talent. It explained 13.80% of the variance.

Table5: Factor structure of Talent Management

	Factor 1	Factor 2
<b>1. Recruitment and Development</b>		
Effective recruitment process	.611*	-.336
Employee Development	.743*	.269
Awareness of talent pool entry	.640*	-.086
Ease of entry	.537*	-.527
Talent pool support by organization	.814*	.105
Transparency in talent management system	.612*	-.467
Differentiated route	.770*	.394
<b>2. Tracking performance and progress</b>	.544	.696*
Percentage of variance accounted for	42.65%	13.80%

\*Factor loading of .40 and above

Trends of Correlation analysis

Table 6 provides the Pearson’s correlations between key measures of organizational performance. Table 6 shows the two factors of organizational performance i.e. product to market time and customer service metrics has a significant correlation of 0.339 and 0.432 with customer service metrics and revenues respectively, while innovative quality work environment and product to market time does not have significant correlation with product to market time and revenues of the company respectively. It should be noted that correlations of .10 or more are significant at the .05 level, and correlations of .15 or more are significant at the .01 level.

Table6: Relationship between factors of organizational performance

Factors	1	2	3	4
1.Innovative quality work environment	-			
2.Product to market time	.067	-		
3.Customer service metrics	.308*	.339**	-	
4.Revenues	.249*	.096	.432**	-

\*Correlation is significant at the 0.05 level (2-tailed). \*\*Correlation is significant at the 0.01 level (2- tailed).

Table 7 shows that the factors of employee retention are not significantly correlated. However, it is seen that retention strategies in an organization is significantly correlated with the level of employee stress with Pearson’s coefficient of 0.276.

Table7: Relationship between factors of employee retention

Factors	1	2	3	4
1.Retention Strategy	-			
2.Employee stress	.276*	-		
3.Talent awareness	.051	-.066	-	
4.Brand loyalty	-.043	.181	.085	-

\*Correlation is significant at the 0.05 level (2-tailed).

Table 8 shows the correlation between measures of talent management. This table shows a significant correlation between recruitment and development and tracking performance and progress of potential employees. The correlations have a value of slightly more than 0.4, indicating that there is pair of measures so inter-correlated that they could reflect the same measure. Hence, it is shown in the Table 8 that Pearson’s coefficient of 0.406 which is significant correlation exist between recruitment and development and tracking performance and progress of employees.

Table8: Relationship between factors of talent management

Factors	1	2
1.Recruitment and development	-	
2.Tracking performance and progress	.406**	-

\*\*Correlation is significant at the 0.01 level (2- tailed).

**Impact of talent management and organizational performance on employee retention**

The extent to which talent management practices and organizational performance affect employee retention (proxied by retention strategy, employee stress, talent awareness and brand loyalty) in an organization is analysed using linear regression as displayed in Table 9. In Table 9, the hypothesis 1 is taken as Model 1, hypothesis 2 as Model 2 and hypothesis 3 as Model 3. The results from Model 2 (Table 9) indicate that the talent management practices significantly contribute to employee retention ( $F(1,66)=9.776, p < 0.05$ ). Therefore, null hypotheses is rejected and it is found that talent management significantly impact employee retention in an organization. Similarly, from the table it can be seen that impact of organizational performance on employee retention is not significantly associated, as the indicators for the model 1 are insignificant (Table 9). Thus, null hypothesis is accepted. The result of model 3 indicates that, taken together, organizational performance and talent management moderately contribute to employee retention ( $F(1, 66) = 7.690, p < 0.05$ ) leading to rejection of null hypothesis.

Table9 Linear Regression Results

Indicators for model fit	Model 1	Model 2	Model 3
R <sup>2</sup>	.005	.129	.104
Adjusted R <sup>2</sup>	-.010	.116	.091
Df	(1,66)	(1,66)	(1,66)
F	.350	9.776*	7.690*
B	-.073	.359	.323
Sig	.556	.003	.007
T	-.592	3.127	2.773
N	68	68	68

Note: \*p < 0.05

## V. Discussion & Conclusion

The findings of this study are discussed on the basis of the hypothesized model, with comparisons to previous research.

Examining the impact of talent management on IT firms' employee retention among companies of different sizes in India, this study has shown that there were significant relationships between talent management practices and employee retention in IT firms while organizational performance does not contribute in reducing employee turnover rate (i.e. employee retention). Firstly, from linear regression model 2 (Table 9), it is clear that the F-test is statistically significant,  $(F(1,66)=9.776)$  which means that the model is statistically significant. The  $R^2$  is .129 means that approximately 13% of the variance of employee retention is accounted for by the model, in this case, talent management. The t-test for talent management equals 3.127, and is statistically significant. Note that  $(3.127)^2 = 9.778$ , which is the same as the F-statistic (with some rounding error). The coefficient for talent management is .359, meaning that for a one unit increase in talent management practices, it would be expected a .3-unit increase in employee retention. Hence, the null hypothesis was rejected. And this study was supported by Baek-Kyoo (Brian) Joo, Sunyoung Park (2010). The organizational learning culture, career satisfaction, and organizational commitment (components of talent management) are the significant predictors of turnover intention. As such, despite the effort companies put into formalising HR practices such as talent management system, in particular training practices, the more trained and highly skilled employees may well become very attractive to the competitors, who simply offer better compensation packages to lure them away. "Job hopping" by employees and "poaching" by competitors were repeatedly reported as key challenges to HRM in India (Dowling et al., 1999; Khatri et al., 2001; Connie Zheng, 2009).

The previous research has focused on talent management strategy and its impact on employee retention in hospitality industry as talent management strategy can deliberate an increase in the sharing of talent within an organization (Walsh and Taylor, 2007). It is this factor alone, which could aid employee retention within the hospitality industry and prevent the leakage of talented (developed) managers into other business sectors (Bernadette Scott and Sheetal Revis, 2008) which replicates present study. The present result of the study which revealed that there is significant correlation between factors of talent management and employee retention (talent management Pearson's coefficient = .406 and employee retention strategy Pearson's coefficient = .276) also reflects similar findings in previous studies (Julia Christensen Hughes and Evelina Rog, 2008).

Second, from linear regression model 1 (Table 9), it is found that the F-test is statistically insignificant,  $(F(1,66)=0.350)$  which means that the model is statistically insignificant. The  $R^2$  is .005 means that approximately 0.5% of the variance of employee retention is accounted for by the model, in this case, organizational performance. The t-test for organizational performance equals -0.592, and is insignificant. Note that  $(-0.592)^2 = 0.350$ , which is the same as the F-statistic (with some rounding error). The coefficient for talent management is -0.073, meaning that for a one unit increase in organizational performance, it would be expected a .07-unit decrease in employee retention. However, with significance value of  $p=0.558$  ( $B = -0.073$ ), it is clear that organizational performance is unrelated to employee retention i.e. the increase in organizational performance is not important factor in predicting employee retention ratio. Hence, the null hypothesis was accepted. In extant literature, strong association is found between employee empowerment and employee (i.e. employee retention strategy) (Kirkman and Rosen, 1999) and organizational performance (Dainty et al., 2002; Ozaralli, 2003; Bordin et al., 2007; Kevin Baird and Haiyin Wang, 2010) which is contradictory to the present study that did not find any association between organizational performance and employee retention outcome in IT firms.

The analysis revealed that the retention of employees can primarily be achieved by reducing employee stress (Pearson's coefficient = .276) and maintaining brand loyalty. While less emphasis is given on retention strategies i.e. less time and money are spent on retention in Indian IT firms surveyed and awareness of the organization about their potential employees is also not significant. These findings of the study suggest that employee retention is associated with retention strategies and talent management practices and not organizational performance. Combs et al. (2006) and Karen L. Ferguson et al. (2010) found a positive correlation between HPWP (high performance workplace practices) and operational (e.g. retention and productivity) and financial (e.g. accounting or marketing returns) performance which is again contradictory to the present study. Hence, it is reasonable to assume that if employees are satisfied with their jobs, they would have less intention to leave their firms.

Thirdly, when model 3 was studied in Table 9, it is seen that there is a significant impact of talent management and organizational performance as independent variables taken as a whole over employee turnover rate (dependent variable). Thus, it is found that the F-test is statistically significant  $(F(1,66)=7.690)$  which means that the model is statistically and moderately significant. The  $R^2$  is 0.104 means that approximately 10.4% of the variance of employee retention is accounted for by the model, in this case, organizational performance and talent management. The t-test for talent management and organizational performance equals 2.773, and is significant. Note that  $(2.773)^2 = 7.690$ , which is the same as the F-statistic (with some rounding

error). The coefficient for talent management and organizational performance is 0.323, meaning that for a one unit increase in talent management practices and organizational performance, it would be expected a .3-unit increase in employee retention. Hence, the null hypothesis was rejected. And it is found that talent management and organizational performance as a whole has moderate effect on employee retention in an organization. This finding is supported by (Julia Christensen Hughes and Evelina Rog, 2008) who pointed out that the benefits of an effectively implemented talent management strategy include improved employee recruitment and retention rates, and enhanced employee engagement. These outcomes in turn have been associated with improved operational and financial performance. Similar studies in previous researches found a strong correlation between high-performance HRM systems (TMS) and practices and a number of organizational variables including turnover, sales per employee, and market value (Becker et al., 2001). It is noteworthy that talent management practices such as succession planning, innovative recruitment and selection turned out to be an important antecedent for turnover intention.

In conclusion, the study has produced evidence that talent management practices, in particular tracking performance and progress of employees, appear to be closely associated with low level of employee turnover rate which in turn, is associated with firm performance as well (model 3). The study has revealed no conclusive evidence to support a definitive association between employee retention and organizational performance from the sample of companies surveyed. Two implications can be drawn from these results. First, in order to improve employee retention, it might be useful for IT firms, in particular, to focus on talent management practices such as succession planning, employee development and innovative recruitment and selection. Second, talent retention is certainly very important for firm growth and delivery of quality service in the longer term. Thus, IT firms must identify other HR practices; apart from improved customer service metrics, better product to market time which may lead to better management of talent attraction and retention in the organization as no significant relationship was found between firm performance and employee retention in the present study.

#### **Limitations & directions for future research**

The study is subjected to the limitations associated with the use of the survey approach i.e. first, issues of control as to who completes the survey and ensuring response rates. As mentioned previously, the response rate in this study was less than optimal. Further, the sample size of 68 is comparatively small and might affect the overall reliability and generalizability of the results. Second, the sample companies surveyed is likely restricted to certain group i.e. most companies surveyed has employee strength of more than 2500. To increase generalizability of the current study, more studies in various industries representing diverse employee strength is needed as talent management practices as well as organizational performance varies from large organizations to small and medium organizations.

Finally, the present study is focused on IT companies only. However, different sectors such as manufacturing and retail industry, where turnover rates are higher, have different approach towards TM and hence may produce different findings. Hence, further investigation into TM and organizational performance of these companies in order to retain employees will be a welcome addition to literature.

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**Appendix Questionnaire**

NAME:	AGE(in years):	SEX: M/F
LOCATION:	JOB DESIGNATION:	
ORGANIZATION:		

**Talent Management questionnaire:**

**A. How many employees does your organization have?**

- a. Less than 1000
- b. 1000-1500
- c. 1500-2000
- d. 2000-2500
- e. 2500 and above

Please tick (✓) appropriate answer for each statement:						
		Strongly disagree	Disagree	Undecided	Agree	Strongly agree
1.	My company is losing some of its best employees to our competitors					

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2.	Recruitment methods of my company is efficient and suitable					
3.	My company plans to help employee development.					
4.	Employees of my company very well know how to get into talent pool.					
5.	It is easy to enter into the talent pool in my company.					
6.	My company has very few people in talent pool.					
7.	My company provides huge support to the talent pool.					
8.	My company's talent management system is transparent					
9.	My company follows differentiated route to enhance talent progress.					
10.	Performance and progress of those identified as talent in the industry is continuously tracked.					

**Employee retention questionnaire:**

**A.** How long have you been working in this company?

- a. Less than 1 year
- b. 1-3 years
- c. 3-5 years
- d. 5-7 years
- e. More than 7 years

Please tick(✓) appropriate answer for each statement:						
		Strongly disagree	Disagree	Undecided	Agree	Strongly agree
1.	A considerable number of employees have left the company in past six months.					
2.	The rate of turnover in my company is lower than average in the industry.					
3.	Customer attrition is reducing at a fast rate in my company.					
4.	Brand loyalty of company is increasing among customers over the past 3 years.					
5.	Customer experience has been enhanced over the past 3 years.					
6.	My company's processes and procedures are easily understood among employees.					
7.	Employee's stress level is given appropriate attention in my company.					
8.	Company spends more time & money on retention programs than on recruitment.					
9.	My company regularly measures the effects of retention strategy.					
10.	My company knows who the talented employees in company are					

**Organizational performance questionnaire:**

Please tick (✓) appropriate answer for each statement:						
		Strongly disagree	Disagree	Undecided	Agree	Strongly agree
11.	My company's productivity level have increased over the past 3 years					
12.	Customer service metrics is very effective in my company.					
13.	Product to market time has improved over the past 3 years.					
14.	Revenues of my company are steadily increasing over the past 3 years.					
15.	My company's market reputation stands out among competitors.					
16.	Company's market share has increased over the past 3 years.					
17.	Employee morale has improved over the past few years.					
18.	Employee engagement has increased over the past 3 years.					
19.	Company's goods are of superior quality compared to competitors.					
20.	Work environment is conducive to good interaction among employees.					
21.	Innovation is the key to success in my organization.					

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