

**A STUDY ON IMPACT OF TALENT MANAGEMENT PRACTICES ON
EMPLOYEE'S PERFORMANCE, CAREER DEVELOPMENT AND RETENTION
WITH REFERENCE TO IT SECTOR**

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ABSTRACT

Talent Management plays an important role in a competitive business world which is changing at high speed. Hence there is need to study talent management and its practices in order to understand how effective it is for organizations. The talent management practices and strategies help the organization to attract and retain highly talented people to obtain superior results. By following the talent management practices the organization can improve their performance and motivate their employees and gain more customers. They maximize their profits. The success of any organization relies on its effective talent management practices.

The human resource is fundamental building block of talent management and its strategies involves both employee and organization development. It begins with a focus on commitment. Engagement and accountability. As organization development has evolved and connected with HR it has focused on aligning its practices in multiple roles. Talent management practices have become a priority like never before in IT sector, that implement expansion programs intended for both employee's career development and job retention and performance improvement. This report provides insight into diverse talent management initiatives' impact on the employees of the different organizations. This study uses quantitative surveys, investigates the relation between talent management strategies such as recruitment, training, performance management, and succession planning, and employee-skills enhancement. Job satisfaction and long-term career commitment are also influenced. This research aims to add value by combining the views of a variety of primary sources on the topic. Organizations can use these findings as a practical guide to the growth of their employees by the employment of the very same methods suggested in the practices of their competitors in the global market.

KEYWORDS: Talent Management practices , Career Development , Retention of employee , Employee Performance

INTRODUCTION

Talent management is crucial for organizational success in the IT sector, impacting employee performance, career paths, and retention rates. With a global shortage of IT professionals, companies must proactively attract and retain top talent. Beyond hiring, talent management fosters a culture of innovation and excellence, enhancing employee satisfaction, engagement, productivity, and profitability. This study explores how talent management strategies affect employee performance, career growth, and retention, aiming to clarify the link between these strategies and individual and organizational performance metrics. Understanding these dynamics helps tailor talent management to workforce needs, boosting organizational effectiveness and competitive advantage.

STATEMENT OF PROBLEM

In the ever-evolving and competitive landscape of the Information Technology (IT) sector, effective talent management practices play a pivotal role in shaping employee performance, retention, and career growth. Despite the acknowledged significance of talent management, there exists a gap in understanding its specific impact within the IT industry. Consequently, there is a need to explore how talent management practices, including recruitment, training, development, and retention strategies, influence employee performance, retention rates, and career advancement opportunities within IT organizations. By addressing this gap, this research aims to provide valuable insights that can inform organization and enhance overall organizational effectiveness in talent management within the IT sector. This study also intends to create more awareness about the importance of talent management practices and analyze how they positively impact the employee's performance and career in the IT sector.

OBJECTIVES OF THE STUDY

- To identify the awareness of talent management practices among employees in the IT sector.
- To examine the impact of talent management practices on employees' performance.
- To discuss the effect of implementation of talent management practices on employee's career growth and development.
- To analyze the impact of talent management practices on employee retention in the IT sector.

SIGNIFICANCE OF THE STUDY

Success depends not only on technological advancements but also on effective talent management. With talent scarcity and rapid technological evolution, robust talent management practices are crucial. Understanding talent management's impact on employee performance, career development, and retention is vital for attracting and retaining top talent. This research aims to provide actionable insights to drive organizational excellence in the competitive IT market.

RESEARCH GAP

The review of various articles, journals, and research works conducted by leading researchers on the proposed topic has allowed us to identify a significant research gap. Recognizing this gap is crucial as it shapes the entire scope and direction of our study. The review of existing literature and studies conducted by leading researchers on talent management practices highlights a critical research gap in understanding their comprehensive impact on employee performance, career development, and retention, particularly within the IT sector. Despite the increasing emphasis on talent management as a strategic priority for organizations, there is a noticeable lack of empirical research evaluating its effectiveness in this industry. The research gap focuses on key areas such as impact on employee's performance, career development and their retention. This research aims to fill these gaps by providing empirical evidence on the effectiveness of talent management practices in the IT sector. It seeks to analyze the specific tools and strategies that contribute to improved employee performance, career development opportunities, and retention rates. Additionally, the study will explore the factors influencing the adoption of these practices and provide insights into optimizing talent management strategies to meet the unique challenges of the IT industry.

LIMITATIONS OF THE STUDY

- There is a limited time involved on the data collection process.
- The participants' responses to the study are used for deriving conclusion.
- The sample size used for this data is only 100 due to the limited duration.
- This study's conclusion is verified just for Chennai respondents.

This study focus on a particular geographic region which may limit generalization.

REVIEW OF LITERATURE

Godprit Haris Touwely, Nuraeni kadir; (2023) - This study concentrated on the population of BUM Desa (Village Owned Enterprises) in Seram District West, totaling up to 90 units spread across 11 districts. Rapid technological advancements had led to improvements in employee performance that depended on talent management. This had increased organizational responsibility to forecast the skills required in the future and to hire and retain people who possessed the abilities and strengths necessary to meet long term goals. The output of employees who were focused on the objectives of the organization was the performance of human resources. Every performance needed to be 11 evaluated in order to ascertain the degree of success attained in the completed task, among the factors influencing high-performance attainment. Nadine El Masri, Abubakr Suliman; (2019) - This study aimed to investigate the

Hana Angelica Daniella Mantow, Medina Nilasari ; (2022) - The aim was to determine how employee development influenced the effects of talent and knowledge management on worker performance. The research sample consisted of 225 workers in the Jakarta region who were employed in the information technology sector. The structural equation model was employed as a data analysis method. The study demonstrated that while employee development was a known mediator between knowledge management and performance, it was unable to mediate between talent management and performance. Knowledge management and talent management both had an effect on employee performance. The study suggested that businesses should build talent management with training and development initiatives to boost worker performance, in addition to knowledge management services like firm web facilities, which allow staff members to share their knowledge

Suryono Efendi, (2021) - The foundation of this study was that human capital was essential to the success of a firm, highlighting the critical role that HR played in helping employees reach their full potential. Robust performance reviews were essential for retaining talent because they linked talent management to employee success. Performance analysis and talent management complemented each other in this symbiotic relationship, therefore maintaining stable talent management procedures called for deliberate effort. Through thorough end-of-period performance reviews, employee competencies were managed, nurtured, and

harmonized in this way. These evaluations could include computerized monitoring, upward or downward peer or subordinate evaluations, self-evaluations, direct managerial feedback, and client feedback. Evaluations covered personality aspects in addition to job performance, giving employers a comprehensive picture of the contributions and character of their workforce.

Bella Novinda Damarasri, Eeng Ahman, (2020) - The purpose of this study was to ascertain how employee performance was impacted by motivation and talent management. Talent management and motivation were the independent variables in this study. Employee performance, however, served as the research's dependent variable. The study was carried out at SMKN 3 Baleendah, where verification and descriptive studies were conducted. The research methodology employed in this study was explanatory research, which was based on the type of research and aimed to evaluate the hypothesis between independent and dependent variables. Documentation and literature analysis were the methods used to obtain data

Nadine El Masri, Abubakr Suliman; (2019) - This study aimed to investigate the relationship between employee retention in Taiwanese organizations and the effectiveness of performance management systems in talent management. The purpose of this research was to examine the importance that workers placed on job design through training, feedback-based performance evaluation, empowerment-based accountability and responsibility, equitable compensation through remuneration, and the use of business coaching programs. The conceptual model put forth in this study and this theoretical article was grounded in employee experiences and views of the impact of talent management procedures on retention. Employees of listed Taiwanese enterprises filled out questionnaires to provide quantitative data about these variables. The planned study included an analysis of the body of existing literature in addition to factual data.

DATA ANALYSIS AND INTERPRETATION:

This part deals with the analysis of the data collected through primary source and interpretation.

The following table summarizes the frequency and percentage of the demographic variables from the sample of respondents

**TABLE - 1 SHOWING THE
FREQUENCY AND PERCENTAGE OF DEMOGRAPHIC VARIABLES.**

Demographic Variables	Classification	Frequency	Percentage %
Age	20-33	39	39.4
	30-40	34	34.3
	40-50	24	24.2
	Above 50	2	2.0
Gender	Male	44	44.4
	Female	55	55.6
Education	Undergraduate(UG)	41	41.4
	Postgraduate (PG)	45	45.5
	Professional	13	13.1
Occupation	Software Engineer	23	23.2
	Data Analyst	15	15.2
	Tax Consultant	15	15.2
	Financial Analyst	23	23.2
	Any other	23	23.2
Annual Income	100000-300000	36	36.4
	300000-500000	41	41.4
	500000-700000	14	14.1
	Above 700000	8	8.1
Marital Status	Married	64	64.6
	Unmarried	35	35.4
Area of Living	Urban	96	97
	Rural	3	3
Organization	TCS	11	11.1
	Wipro	8	8.1
	HCL	13	13.1
	Larsen and Toubro	8	8.1
	Infosys	10	10.1
	Mckinsey	8	8.1
	Amazon	11	11.1
	Cognizant	6	6.1
	Any other	26	26.3
Work Timing	Regular Shifts	62	62.2
	Night Shifts	7	7.1
	Flexible working hours		
	Work from home	24	24.2
		6	6.1
Experience	Below 2 years	31	31.3
	2 years – 5 years	44	44.4

	5 years -10 years	21	21.2
	Above 10 years	3	3
Awareness	Yes	92	92.9
	No	7	7.1
Perception	Strongly agree	19	19.2
	Agree	57	57.6
	Neutral	19	19.2
	Disagree	4	4.0

Source: Primary data

TABLE 2: SHOWING THE FACTORS CONTRIBUTING TO EMPLOYEE RETENTION AND PERFORMANCE OF EMPLOYEE'S.

FACTORS	ATTRIBUTES	MEAN	STANDARD DEVIATION	RANK
Attributes of talent management that have contributed towards improvement of employees performance in IT sector	Effectiveness of performance appraisal	2.17	.948	1
	Promotes healthy competition among employees	2.10	.875	2
	Increase employee morale	2.09	.716	3
	Providing on the job training	2.06	.913	5
	Specialization in respective domain	1.90	.735	6
	Specialization in your respective domain	1.90	.735	7
Factors of talent management contributing towards retention of employees in IT sector.	Opportunities to work in new project	2.25	.907	1
	Awards and recognition	2.23	.988	2
	Scope to showcase innovation	2.21	.993	3
	Trust and collaboration	2.20	.869	4
	Flexible work arrangements	2.18	.993	5
	Competitive compensation	2.14	.915	6
	Good work environment	1.97	.814	7

Source: Computed data

From the above table, it is inferred that the reason motivating employees to retain in organization is opportunities to work in new projects with a highest mean value of 2.25. In addition, awards and recognition is also considered as a major factor for motivating employees to retain in their current workplace with a mean value of 2.23. Good work

environment may not influence strongly to motivate employees towards retention with a mean value of 1.97.

From the above table, it can be inferred that the Increase in morale of employees strongly impacts the employee performance of the company with a mean value of 2.90. The specialization in each domain is the least important factor of talent management that helps in improvement of employee performance with the mean value of 1.90.

Table 3: SHOWING THE FRIEDMAN DISTRIBUTION OF ATTRIBUTES OF TALENT MANAGEMENT PRACTICES THAT CONTRIBUTE TO DEVELOPMENT OF CAREER OF EMPLOYEE'S IN IT SECTOR.

FACTORS CONTRIBUTING TO CAREER DEVELOPMENT	MEAN RANK	RANK
Leadership and training programs	3.06	1
Transparency in succession planning	3.05	2
Analyzing skill gap	3.00	3
Promotion and employee advancements	2.97	4
Development of employee engagement	2.91	5

From the above table, it is inferred that the main factor contributing to the career development is leadership and training programs with highest value of 3.06, in addition the transparency in succession planning also contributes to career development of employees with mean rank of 3.05. The development of employee engagement is least factor that contribute to career development of employees with mean rank of 2.91

Table 4: ASSOCIATION BETWEEN NAME OF THE ORGANIZATION AND IMPACT OF IMPLEMENTATION OF TALENT MANAGEMENT PRACTICES IN ORGANIZATION

NAME OF ORGANIZATION	Organization of respondents working and the impact of implementation of talent management practices effect on employee job satisfaction and professional growth in relation with their workplace	Chi-square	p

	Strongly agree	Agree	Neutral	Disagree	Strongly disagree	total		
TCS	0	8 (72.7%)	3(27.3%)	0	0	11	20.737	.654
Wipro	1(16.7%)	4(66.7%)	1(16.7%)	0	0	6		
Hcl	3(23.1%)	8(61.5%)	2(15.4%)	0	0	13		
Larsen and Toubro	2(25%)	5(62.5%)	1(12.5%)	0	0	8		
Infosys	1(10%)	6(60%)	3(30%)	0	0	10		
Mckensey	4(50%)	4(50%)	0	0	0	8		
amazon	1(9%)	5(45.5%)	4(36.4%)	1(9.1%)	0	11		
cognizant	1(16.7%)	4(66.7%)	0	1(16.7%)	0	6		
Any other	6(23.1%)	13(50%)	5(19.2%)	2(7.7%)	0	26		

From the above table It is inferred from the above table that there is no association between the type of organization and the impact of talent management practices on employee job satisfaction and personal growth since the p value is more than 0.05($p=.654$).

It is also observed from the above cross table that cognizant and amazon employees agree that the talent management practices have cognizant and amazon employees agree that the talent management practices have a positive impact of employee's satisfaction level in their personal growth

FINDINGS OF THE STUDY

- In this study, it is inferred that 39.4% of the respondents were between the ages of 20-30, 34.3% of the respondents were between the ages of 30-40, 24.2% of the respondents were between the ages of 40-50, 2.0% of the respondents were above 51 ages.
- In this study, it is observed that 55.6% of the respondents are female and 44.4% of the respondents are male.

- In this study, it is found that significant portion of respondents (41.4%) are Undergraduates and (45.5%) of the respondents constitute Postgraduates and less portion around (13.13%) of the respondents are Professionals.
- In this study, the sample distribution displayed a diverse range of roles or occupation of respondents. Among the respondents Software engineers and financial analysts were highly represented (23.2% each), followed by data analysts and tax consultants constitute (15.2% each). A significant portion (23.2%) fell under the category of "Any other."
- In this study, it is inferred that majority of respondents in the sample fall within the income range of 100,000 - 300,000, constituting 36.4% of the total respondents, substantial proportion falls within the range of 300,000 - 500,000, 64 for 41.4% of the sample. 14.1% of the respondents have incomes between 500,000 - 700,000 and 8.1% of the respondents constitute above 700,000.
- In this study it is inferred that a majority of respondents comprising 64.6% are married and 35.4% of the respondents are unmarried.
- In this study, it is inferred that the frequency table on the area of living indicates a significant majority of individuals residing in urban areas 97%, with only a small minority living in rural areas 3%.
- In this study, it is inferred that data regarding the organizations in which the respondents are employed among them TCS (Tata Consultancy Services) constitutes 11.1% of the sample data, indicating a significant presence within the research population, Wipro represents 8.1% of the respondents, HCL accounts for 13.1% of the sample, Larsen and Toubro also make up 8.1% of the respondents, Infosys comprises 10.1% of the sample, McKinsey represents 8.1% of the respondents, Amazon accounts for 11.1% of the respondents, Cognizant constitutes 6.1% of the respondents and 23.3% of the respondents belong to other organizations.
- In this study it can be analyzed that the majority of respondents (62.6%) belong regular shift timings, on average (7.15)of the respondents work in night shifts and (24.4%) of the respondents work in flexible working hours and other respondents constituting (6.1%) do work from home
- In this study, it is inferred that majority of respondents have about 2 to 5 years of experience constituting 44.4%, while 31.3% of the respondents have experience below 2 years, 21.2% of the respondents have experience of about 5 to 10 years and around 3 % of respondents have above 10 years of experience.

- In this study, it is found that maximum of respondents are aware about talent management practices followed in organization constituting 92% and less percentage of the respondents around 7% are unaware about talent management practices followed in their organization
- In this study, it is inferred that majority of the respondents agree around (57.6%) that that implementation of talent management practices have showed a positive impact on the employees' job satisfaction and professional growth and around (19.2%) of the respondents strongly agree on the impact of talent management practices on employee's performance and development in career whereas (4%) of 65 the respondents are not satisfied regarding the impact of talent management practices on employee jobs satisfaction and professional growth
- In this study, it is inferred that the main factor contributing to the career development of employees in organization is leadership and training programs with highest value of (3.06), in addition the transparency in succession planning transparency in career path also contributes to career development of employees with mean rank of 3.05 and development of employee engagement is considered as the least factor that contribute to career development of employees with mean rank of 2.91 among the respondents.
- In this study, it is inferred that the main factor motivating employees to retain in organization is opportunities to work in new projects with a highest mean value of 2.25. In addition, awards and recognition is also considered as a major factor for motivating employees to retain in their current workplace with a mean value of 2.23. Good work environment may not influence strongly to motivate employees towards retention with a mean value of 1.97.
- In this study, it can be inferred that the Increase in morale of employees strongly impact the employee performance of the company with a mean value of 2.90. The specialization in each domain is the least important factor of talent management that helps in improvement of employee performance with the mean value of 1.90.
- In this study it is inferred from the above table that there is no association between the type of organization and the impact of talent management practices on employee job satisfaction and personal growth since the p value is more than 0.05($p=0.654$). It is also observed from the observation that cognizant and amazon employees agree that the talent management practices have a positive impact of employee's satisfaction level in their personal growth.

SUGGESTIONS

The following are the suggestions of this study which is based on the data collected from the respondents.

- Leadership and training programs promote and develop employees' skills, extending their capabilities and knowledge for career growth. Organizations can introduce new training to improve skills according to job requirements and develop strategies to enhance leadership abilities. Improving these programs helps employees advance in their careers.
- Organizations must ensure a good working environment for employees, as it motivates them to stay with the current organization.
- Performance appraisal identifies the strengths and weaknesses of employees and promotes continuous learning. The organization must improve their performance appraisal process since this process plays a crucial role in assessing and improving employee performance.
- The organization must improve employee awareness regarding talent management practices and explain their importance to employees in the IT sector.
- Organizations must focus on improving the process of talent acquisition and development. There is reciprocity in talent management. It is not just about attracting and keeping outstanding personnel, but also about establishing a work environment that encourages participation and development.

CONCLUSION

The study found varying levels of understanding about talent management strategies among employees in the IT sector. Some employees had a good understanding, but there were gaps, indicating a need for more awareness. Effective recruitment, continual skill development, and performance feedback were highlighted as important for improving job performance. Leadership and training programs, along with skill gap analysis, contributed to career growth. Employee engagement should also be developed to promote career development. The research observed that new opportunities and recognition motivate employees to stay. Key talent management factors like performance appraisal, on-the-job training, and increasing morale are crucial for performance improvement. The research underscores the need for IT organizations to develop a comprehensive talent management strategy, with regular evaluation and adjustment to stay effective in a changing environment. By fostering a culture of development, learning, and communication, IT organizations can create a skilled, motivated, and engaged workforce, leading to greater success and competitive advantage.

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