

THE IMPACT OF TALENT MANAGEMENT ON EMPLOYEE ENGAGEMENT AND RETENTION IN ACHIEVING ORGANIZATIONAL PERFORMANCE

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ABSTRACT: *The objectives of this research study are to provide concessive information on the effectiveness of talent management based on the employee's engagement and retention to achieve organizational performance. Talent management is a variable involving the attraction, retention and development as the critical factors to the organization success. This research paper represents the existing relationship between talent management, employee engagement, retention and the improved organizational success. The various empirical research and evidences primarily support the research as the literature review provides a relative information from published research papers or journals where the effects of talent management, employees engagement, retention and organizational performance has been discussed into details. Based on the empirical research and statistical analysis, there is a positive relationship between the three variables. Statistical information's based on the analysis of multiple frequency table and histograms were analyzed to give an accurate data relating to the study. Employee's engagement and retention significantly contribute to the success of the organization. The need to adopt human practices in various Pakistan banks will help the bank sectors to grow in capital ability. The findings and the interpreted results from this study are limited to the banks in Pakistan since the data collected on the Pakistan banking sector. Adopting efficient talent management strategies and employee engagement and retention processes will aim to improve the worker's ability in the business thus creating a diverse culture consisting of different people possessing analytical skills thus increasing the performance of the sector.*

Keywords: Talent Management, Employees engagement, retention, capital ability, employees' motivation, statistical analysis, bank, recruitment, Pakistan, and appraisal.

INTRODUCTION

The contemporary world is the reign of technological advancement, and organizations have acquired various ways of working to achieve their objectives. They no longer work in isolation since globalization has gained momentum to shape the organizations' performances. As globalization and world rivalries in the contemporary world emerge, various agencies have realized myriad skills and practical knowledge that are significant and acts as the source of competitive advantage [1]. Talent management, employee engagement and staff retention have become the strategic issue in achieving the organizational performance. The existing association between talent management and organizational success based on the contemporary study is channeled by the business stakeholders and management team. According to Ferguson Resource-Based View (RBV) is a theoretical framework that focuses on the physical and the intellectual factors as a significant source for enhancing sustainable competitive advantage [2].

Background

Employee commitment or engagement and retention have an impact on various organizations and can either be positive or negative. Mistreating the employees challenge their commitment to the organizational activities to enhance its performance. The anticipated better working conditions or better pay will create an innovative organization with analytical skills needed to attain its competitive advantage [3]. Employee retention has been a global concern for most multinational organization which engage their professionals in this process to exploit the global markets and this will expose them to the outside competition due to their working effectiveness. Effectiveness and efficacy mean increased organization's profits, prudence dictates that training a professional to take up the functions of such an individual if he left is expensive.

The balancing of the talent management and human resource strategies must match the cost recruiting employees who will add value to the team's performance. The stated that it would be prudent to know exactly how the retention or loss of the privilege for retention will affect the company's output [4]. Human resource management was developed in the early 20th centuries as a result of human relations movement. Human resource department of every organization insist on getting the maximum productivity from the employees

Statement of the Problem

There has been the increasing number of trained personalities globally with analytical skills over the years; this has led to a large pool of potential labor waiting to be utilized by the job market. The problem is the impact of talent management of on employee engagement and retention in achieving the organization performance; this should be addressed the deficit and discourage the low levels of performance in multinational organizations around the globe. The failure to control these constraints will interrogate the business in negative dimension thus limiting the chance to explore the labor market. Also, to achieve the competitive market and initiate global competition, talent management and personal involvement of the employees must be anticipated based on the organizations' objectives. The failure to engage the employees in the organization's plan, the firm will actively fail to meet the demands of the customers thus challenging the process dimensionally and strategically.

Objectives of the Study

The objectives of the research study included:

1. To examine the employee's retention rate in the banking sector in Pakistan, in achieving organization performance.
2. To find out the effects of talent management and active engagement on the team's performance.
3. To investigate the effects of better working conditions for an employee on organizational performance.

Research Questions

- 1) What is the effect of employee retention rate in the banking sector in Pakistan in achieving organization performance?
- 2) What are the consequences of talent management and active engagement on organizational performance?
- 3) What are the effects of better working conditions for the employee on corporate performance?

Significance of the Study

The study intends to bring diversified information on the impact of employee retention on organization performance to both the private and the public for decision making. It provides the guideline to human resource management in many organizations as outlined by the performance appraisal. In this research analytics and analysis, original information on the results of managing talent, employee engagement and retention in achieving organizational performance are aired. Based on the empirical literature, the research underlines talent management and employees meeting forms part of the success of any organization. The study will help the team to learn the results of treating their employees in a certain way and so they will be able to get to improve their output with no pressure to the employee. The gender consideration and the interactions of the employees from multiple ethnicities will strengthen the team's performances and survival.

LITERATURE REVIEW

The effective talent management makes the company more competitive in the market and increases the efficiency and effectiveness of the organization. According to Project Management Institute Report, talent management process maintains its valuable workers through rewards and motivational practices which make them feel recognized and inspire them to make positive contribution and long-term commitment to organization's activities. Talent management increases the revenue of the organization by helping the team in achieving better results than its competitor's intern gaining higher market share which increases income of the group [5]. Some theoretical frameworks consider talent management as a primary tool for major Banking sectors not only in Pakistan. Therefore, it must be recognized as a major factor in achieving the areas finance. Employees would also represent the team at their best even when the management is not aware of such events; employees will also work and apply extra effort and skill with or without supervision.

This study is in line with most previous studies done in the past; however, there is only Society of Human resource management indicated that talent management allows all levels of employees focused on driving revenues that will results in employee engagement, this allows the organization to perform effectively and efficiently [6]. Herzberg theory found that job satisfaction had a direct effect on the achievement, recognition and taking personal initiative for their duties at work, this he referred to as "factors that satisfy high need motivators." The expectation theory advocated for the theory of expectation which states that employees are motivated to help in achieving the set objectives.

Relationship between Talent Management and Employee Engagement

Employee engagement is how effective the employees are committed to the organization's activities. They are dependent on talent management, and they are based on the emotions and intellects of an individual employee. Employee's engagement anticipates and activates active participation on the assigned roles within the organization. In various agencies, employee's engagement starts with talent management [7]. Lack of strong relationship with the team members will expose the business to different constraints which will challenge the organization's performance in the globe of human resource. The two variables work under the same condition, and they form an organization's healthier bottom line. The act of recruiting, developing, rewarding, encouraging and retaining the employees to enhance better performance will fully involve them in the organization's activities thus making them to explore their analytics, dedicate their time, ideas, skills knowledge and energy to their respective firms.

The managers have the opportunity to engage and strive to ensure their employees forms part of the organization and becomes more productive and innovative in all activities defining the organization's success. According to CIPD, more teams are focusing on employee welfare and talent management thus resulting into job satisfaction and commitment. Employee engagement composed of ways which make an employee own the operations of the organization, therefore, making him/her responsible. The active involvement of the group's activities by the employees will provide sufficient channels for change either through service and production systems [8]. It is regarded talent management as the most efficient and effective variable organizations must capture and adopt, develop and utilize based on the employee's engagement to execute organizational performances. Strategically, it aims to attain the market value and to enhance the competitive advantage. Previously studies have found engaged employees are encouraged to do more to contribute to the well-being of the organization. It can be viewed through by other literary works which focused on the full engagement in work.

Relationship between Talent Management and Employee Retention

Many organizations currently work to retain more employees to the priority of regarding them as the significant differentiators in managing the human capital. Some researchers, Many enterprises have experienced employee's retention problem and therefore lack the competitive advantage in the global markets. Employees, intellectual capital and talents as the most important segment to the strategic success of an organization. Talent management as a tool is used to corroborate the team's ability through performance management [9]. The vital importance of the analyzed performance, based on the path modeling, they outline and identifies key areas that need total improvement and can be addressed subsequently with both management and marketing activities [10].

Mutual gain and benefits of the organization depend on the talent management, employee engagement and workers retention as the most important variables. People with unique

abilities should be made to feel important that way they feel like they own the process since they are involved, this will help the people to feel motivated and one with the organization's targets [11]. The act of involving the employees in the following decisions of the organization incurs the employee's motivation, and thus, it further reduces the expenses of supervision and engagement of employees. Failing to reward the employees challenges the group success, it usually results due to lack of appropriate talent management practiced by association managers.

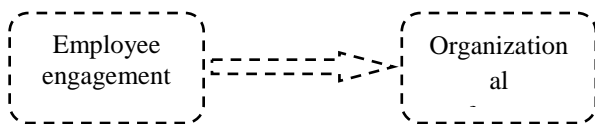
The relationship between Talent Management and Organizational performance.

The empirical research review has strategically underlined the talent management strategies and practices as the best options as the best ways of achieving an organizational goals, values, and objectives. In the case of Pakistan banking sector, the managers, directors and other executives within the organization have reached regarding enhancing positive working force between the business strategy and the process of talent management aiming to anticipate success in their respective organizations [12:13]. Competitive advantages of various groups are channeled through talent management since they induce challenging capabilities to their competitors to adopt and put into practice [14:15]. Talent management as an asset or variable that focuses on the persisting competitive advantage. The realization of the talent management by many firms has integrated the business strategy looking for the organization's success. Based on the talent management, many companies have built a team of winners consisting of talented people. They used the groups to air out their problems and weaknesses within the organization due to their competency. Any group which needs to be successful must focus on the talent management and in the process monitor their employees objecting to creating a healthy and evaluative business environment.

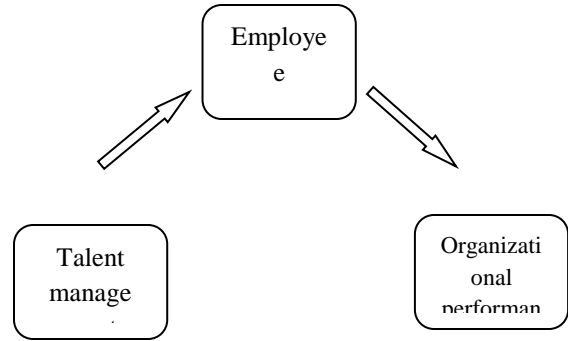
Data methodology and Hypothesis of the study

As the literature reviews the impacts of the four variables based on different arguments from various researchers, the following hypothesis was underlined are they are as shown below;

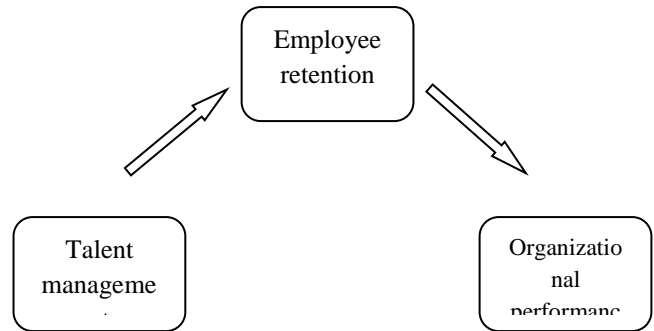
H1: Employee engagement has positive impact on organizational performance.



H2: Employee engagement has mediating impact between talent management and organizational performance.



H3: Employee retention has mediating impact between talent management and organizational performance.



The theoretical framework of the four variables.

Talent management acts as the primary and independent variable of any organization that encourages live performance and organizational success. In this view, talent management is an inherent value possessed by few individuals with the ability to bring entitlement and change to the firm's current and future success.

Research data has been collected through survey techniques, eighteen-month data has been collected from employees of the pharmaceuticals in Karachi. Those employees were well known about the pharmaceutical business, its profit, growth, employee retention, talent management, engagement of employees. Data from hundred employees has been collected and results were indexed in single column for each variable to make easy for correlation analysis. Correlation analysis and descriptive statistics has been adopted using SPSS to find out the resultant relationship of the variables.

Analyses and Results

Descriptive Statistics

| | Mean | Std. Deviation | N |
|----|-------|----------------|----|
| EE | 6.28 | 2.986 | 18 |
| TM | 11.83 | 2.121 | 18 |
| ER | 9.06 | .802 | 18 |
| OP | 17.44 | 4.792 | 18 |

Descriptive statistics shows the characteristics of the data, including mean and standard deviation of the data. Highest standard deviation of the results shows by organizational performance and lowest has been shown by employee retention that indicates the movement of the data.

Correlation analysis

Correlation analysis shows that there is positive relationship between employee engagement and organizational performance with value of 0.78 and 0.00 significant level. This shows that there is strong relationship between variables and high level of significance.

There is weak insignificant relation between talent management and organizational performance but including mediating variable there is strong positive relationship between talent management and employee engagement and also between employee engagement and organizational performance.

As a mediating variable employee retention has failed to show the significant results as there is no significant relationship between talent management, employee retention and organizational performance.

Correlations

| | EE | TM | ER | OP |
|---------------------|--------|------|-------|--------|
| Pearson Correlation | 1 | .453 | .484* | .784** |
| EE Sig. (2-tailed) | | .059 | .042 | .000 |
| N | 18 | 18 | 18 | 18 |
| Pearson Correlation | .453 | 1 | .282 | .089 |
| TM Sig. (2-tailed) | .049 | | .256 | .726 |
| N | 18 | 18 | 18 | 18 |
| Pearson Correlation | .484* | .282 | 1 | .376 |
| ER Sig. (2-tailed) | .042 | .256 | | .124 |
| N | 18 | 18 | 18 | 18 |
| Pearson Correlation | .784** | .089 | .376 | 1 |
| OP Sig. (2-tailed) | .000 | .726 | .124 | |
| N | 18 | 18 | 18 | 18 |

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

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

DISCUSSION

The chapter represents the conclusion of this study. It gives accurate reports on the findings of this study and interpretation of the data analysis as done in chapter four as it is in the previous chapter. The results from the analysis of data show that all the explanatory variables that are the talent management and employee engagement function to explain organization performance. There is the positive association between employee engagement and team performance such that when the employee is engaged and involved in the daily decision making of the organization; it leads to the positive attitude of the employee. Employees perform optimally and feel like doing more for the group

when they are engaged and involved in decision making. These activities increase labour force loyalty and commitment. The descriptive statistics showed that there is a relationship between the explanatory variable and the independent variable. This means that people should treat their employees with dignity since it adds up positively on the organization performance in the long run.

CONCLUSION

Most people among the respondents agree that comfortability and satisfaction of the employee may lead to better team performance in the long term. When workers are treated with dignity and with respect, when they are involved in decision-making they tend to own the process and operations of the organization. These activities make the employee feel appreciated, and they feel like management recognizes their efforts. This feeling makes staff feel valued therefore increasing their loyalty to the organization. Employees' commitment leads to not only increased production and profits it also leads to the reduction in cost. Management cost reduces since employees' will be loyal and will be honest when they are included in every decision made by the management, and they are well represented in management. In conclusion, we can say that there is the positive relationship and that the variables in this study have a positive correlation such that the explanatory variables; talent management, employee engagement and employee retention explain more than 50% of the dependent variable (organization performance).

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