

IMPACT OF TALENT MANAGEMENT PRACTICES ON SUSTAINABLE ORGANIZATIONAL PERFORMANCE IN I.T. INDUSTRY

Ms. R. Sri Sabarmathi, Ph.D. Research Scholar, (Business Administration) Madurai Kamaraj University, Madurai-625 021

Dr. T.R. Jeevapriya, Ph.D., Assistant Professor, Research Department of Business Administration, Sourashtra College (Autonomous), Madurai- 625 004

Dr. B. Anbazhagan, Ph.D., Associate Professor, Research Department of Business Administration, Sourashtra College (Autonomous), Madurai- 625 004

Apj.anbu@gmail.com

ABSTRACT

The service industry especially Information Technology (IT) industry needs the talented, human resources to face the global competition. The present study includes only two important concepts namely Talent Management Practices and sustainable organizational performance. The present study has made an attempt to evaluate the cause and effect relationship between talent management practices and the sustainable organizational performance, the study is causal in nature. Data collection was done through online survey questionnaire among top I.T. professionals in Chennai, Tamilnadu. Multiple regression Analysis is used to test the framed null hypothesis. It is found that the most important TM practices contribute the sustainable organizational performance in IT companies is learning and development.

Keywords: *Talent Management, Sustainable organizational performance, TM practices.*

INTRODUCTION

In globalised era, the organizations are facing lot of challenges and technological improvement in market (Scullion, et al., 2010). The organizations are in a position to increase their productivity and differentiation of their products and services from competitors (Grandhok and Smith, 2014). It needs a consistent improvement of human resources of the organization (Sheeham, et al., 2018). The talented and experienced human resources not only increase the productivity but also decrease the cost of production (Sidai and Al Ariss, 2014). It benefits the organization to face the competition easier (Kehinde, 2012).

The service industry especially Information Technology (IT) industry needs the talented, human resources to face the global competition. The IT industry realizes the need for talent management strategies at their organization to serve in the market (Maya and Tamilselvan, 2012). The talent management is the systematic attraction, development, retention and development of the talented human potential to fulfill the organizational objectives (Siva and Pinapati, 2013). Even though, the investment on talent management practices at the IT industry are costlier, it yields more return than the costs (Rani and Joshi, 2012) since the talent management leads to sustainable organizational performance (Punia and Sharma, 2008). Hence, the present study has made an attempt to evaluate the impact of Talent Management Practices on sustainable organizational development.

REVIEW OF PREVIOUS STUDIES

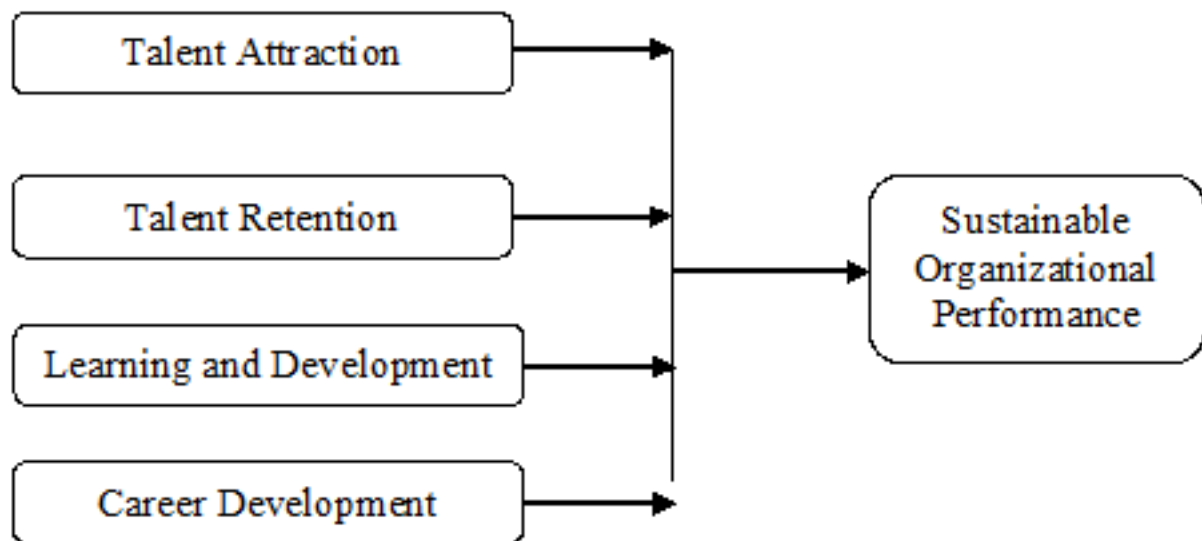
Songa and Oloko (2016) found the talent attraction and retention have a significant positive impact on organization performance. Rastgoo (2016) noticed the significant relationship between talent management and organization development. Lyria et al., (2017) revealed the talent retention have a significant positive influence of talent management, employee

engagement and organizational performance. Rabhi (2015) proved the talent management is the source of competitive advantage to the organization. Taleghani et al., (2013) found the role of talent management on the performance of faculties. Eidashan et al., (2018) showed the significant contribution of talent management on organizational performance which is also supported by Rubuger et al., (2018). Auranzeb et al., (2016) pointed out that the talent management has a significant role in enhancement in organizational performance which is also proved by Arif et al., (2016) in retail sector. Mohammad (2019) identified the high rate of implementation of talent management practices in IT industry. Amiri and Najmeh (2017) noticed the higher rate of implementation of talent management and its consequences in IT industry which also supported by Rostam (2019) and Amini (2015).

CONCEPTUAL FRAMEWORK

The present study includes only two important concepts namely Talent Management Practices and sustainable organizational performance. Talent Management Practices consists of implementation of integrated strategies to improve and sustain organizational performance. The procedures covered are attracting, retaining, developing and profiting from talented human resources in the organization (Collins et al., 2011). The talent management shows on boarding, identifying, evaluating and developing organization’s internal talent (Dries, 2013). Talent Management Practices are the practices of attracting, developing, retaining and motivating as well as rewarding talented human resources which result in sustainable advantage (Devi, 2017). In the present study, the talent practices consist of talent attraction, talent retention, learning and development; career development (Al Ariss et al., 2014).

The sustainable organizational performance is the capability of the organization to meet the expectation of its various stakeholders. It includes three aspects namely financial, organizational and human resource performance (Karam et al., 2017). The sustainable organizational performance can be achieved when there is no threat of competitors and also internal changes in the organization (Richard, et al., 2009). In the present study, it covers the competitiveness, market share, employee productivity, employee morale and higher return on investment (Dyer and Reeves, 1995). The proposed research model is given below.



Based on the model, the null hypothesis formulated in the present study is

HN : There is no significant impact of talent management practices on the sustainable organizational performance.

Research Methodology

Since the present study has made an attempt to evaluate the cause and effect relationship between talent management practices and the sustainable organizational performance, the study is causal in nature. Data collection was done through online survey questionnaire. Online survey was designed in Google form consisting a URL, which was shared to the employees via linked in. The population of the study is only top and middle level management employees in IT companies at Chennai. The population of the study is 69886. The sample size was determined by $n = \frac{N}{N^2 + 1}$ (Yamuna, 1963). It came to 398. The response rate on the questionnaire is 39.91 per cent.

INSTRUMENT AND MEASUREMENT

The four talent management practices are measured by 5 variables in each whereas the sustainable organizational performance is measured by 6 variables. All the variables are rated by the respondents at five point scale. Initially, the reliability and validity of variables in each construct are tested with appropriate statistical test. The results are given in Table. 1

TABLE 1 Justification of variables in each Construct

Sl. No.	Construct	Cronbach alpha	Factor Loading	Composite reliability	Average variance extracted (in %)
1.	Talent attraction	0.8415	>0.6411	0.8203	56.22
2.	Talent retention	0.8117	>0.6209	0.7917	55.03
3.	Learning and development	0.8022	>0.6344	0.7803	54.84
4.	Career development	0.7846	>0.6402	0.7601	53.42
5.	Sustainable organizational development	0.7904	>0.6291	0.7717	54.65

The Cronbach alpha of all constructs are greater than 0.70 which satisfies the internal consistency in each construct (Nunnally, 1978). The content validity of the constructs are assured by the factor loading of variables in each construct which are greater than 0.60 (Fornell and Lancker, 1981). The convergent validity is assured since the composite reliability and average variance extracted of the constructs are greater than its standard minimum of 0.50 and 50.00 per cent respectively (Hu and Bentler, 1999).

VALIDITY ANALYSIS ON THE CONSTRUCT

The validity of the constructs is tested by skewness, kurtosis and correlation co-efficient of each construct. The results are shown in Table.2

TABLE 2 Validity of the Constructs

Sl. No.	Constructs	Mean (S.D.)	Skewness (S.D.)	Kurtosis (S.D)	Correlation co-efficient				
					1	2	3	4	5
1.	Talent attraction	2.71 (0.11)	-0.12 (0.09)	-0.64 (0.24)	1				
2.	Talent retention	2.94 (0.14)	-0.16 (0.14)	-0.49 (0.29)	.46*	1			

3.	Learning and development	3.01 (0.12)	-0.63 (0.24)	-0.42 (0.19)	.42*	.39*	1		
4.	Career development	3.16 (0.14)	-0.72 (0.29)	-0.39 (0.21)	.49*	.44*	.43*	1	
5.	Sustainable organizational development	2.94 (0.12)	-0.29 (0.17)	-0.29 (0.19)	.52*	.42*	.41*	.46*	1

The skewness and Kurtosis of all five constructs have been computed to check the data normality. These are only in the acceptable range of -3 to +3 (Ghasemi and Zahediasl, 2012). The correlation co-efficient between the constructs are only at a moderate level but these are lesser than 0.90 which avoid the problem of multi-collinearity (Tabachnick and Fidell, 2007).

HYPOTHESIS TESTING USING MULTIPLE REGRESSION ANALYSIS

The cause and effect relationship between four talent management practices and sustainable organizational development in IT companies a have been examined with the help of multiple regression analysis (Moyedi and Vaseghi, 2016). The included independent variables are the score on implementation of all four talent management practices whereas the included dependent variable is the score on sustainable organizational performance (Shabeen et al., 2013). The least square method was followed to estimate regression function. The results are summarized in Table.3

TABLE 3 Results of Multiple Regression Analysis

Sl. No.	Independent Variables	Unstandardized co-efficient	Standard error	t-value	'P' Value	'β' Value
1.	Talent attraction	0.1896	0.2141	0.8856	0.3045	0.1417
2.	Talent retention	0.2674	0.0847	3.1570	0.0309	0.2391
3.	Learning and development	0.2847	0.0502	5.6713	0.0000	0.2617
4.	Career development	0.2304	0.0419	5.4998	0.0000	0.2172
	Construct	1.2676	0.0704	18.0057	0.0000	—
	R2	0.7844	—	—	—	—
	F-Statistics	18.7346	—	—	0.0173	—

The significantly influencing talent management practices on the sustainable organizational development in IT companies are talent retention, learning and development and career development since its regression co-efficients are significant at five and less than five per cent level. Out of the four talent management practices, the first two important talent management practices influence on sustainable organizational performance are learning and development and talent retention since its regression co-efficients are 0.2847 and 0.2674 respectively. The changes in the implementation of talent management practices explain the changes in sustainable organizational performance since its R2 is 0.7844. The analysis reveal the significant contribution of talent management practices in the determination of sustainable organizational performance is IT companies.

CONCLUDING REMARKS

The present study concluded that the both dependent and independent constructs taken for the study are justified by the variables included in it. Except the talent attraction, other three TM Practices namely talent retention, learning and development, and career development have a significant positive influence on the sustainable organizational performance of IT companies. The most important TM practices contribute the sustainable organizational performance in IT companies is learning and development. Hence the IT companies are advised concentrate more learning and development; and talent retention in order to enrich the sustainable organizational performance.

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