

# Assessing the Impact of Talent Management on Organizational Success: An Empirical Review

Dr. Sharad Chandra<sup>1</sup> and Dr Sumela Chatterjee<sup>2</sup>

Assistant Professor, C. M Dubey Post Graduate College, Bilaspur, C.G., India<sup>1,2</sup>

shivansharad@gmail.com and sumela.chatterjee@gmail.com

**Abstract:** Talent management is a strategic and ongoing process that involves attracting, developing, and retaining high-quality employees. This process aims to enhance their knowledge and skills, continuously motivate them to improve their performance, and align their efforts with the company's business goals. The primary objective of talent management is to cultivate a highly motivated and engaged workforce that is committed to the organization for the long term. Effective talent management practices vary across organizations but generally result in increased employee engagement, skill development, and motivation, which contribute to higher client satisfaction and overall business performance. Investing in talent management is crucial for the long-term success of any organization, especially during challenging times such as the current pandemic. In the pharmaceutical sector, employees face significant challenges and fears related to their work environment, making talent management even more critical. This study aims to analyze the various dimensions of talent management and their impact on the organizational performance of the pharmaceutical sector.

**Keywords:** Talent Management, Employee Engagement, Skill Development, Talent Retention, Organizational Performance, Pharmaceutical Sector

## I. INTRODUCTION

Talent management is a strategic process designed to enhance employee performance by motivating, engaging, developing, and retaining employees to achieve better outcomes. When executed effectively, talent management provides companies with a competitive advantage and enables them to outperform competitors through an integrated system of practices that are difficult to replicate. A robust talent management system directly correlates with improved organizational performance, which involves assessing the actual results of a company against its intended goals. This analysis focuses on three primary outcomes: shareholder value performance, financial performance, and market performance. The current study aims to examine the impact of different dimensions of talent management on these aspects of organizational performance in the pharmaceutical sector. In the modern business environment, talent management has become essential for determining a company's achievement and capability to succeed. It has an impact on numerous aspects of the organization. Talent management ensures that businesses attract fresh candidates and select the best individuals with the correct education, knowledge, and cultural fit. Proper hiring processes help develop skilled staff that can drive the organization toward its strategic objectives (Hyde and Jain, 2021). Engaged employees, who are more dedicated to the organization's objectives, benefit from talent management strategies that prioritize employee development and recognition, resulting in higher levels of engagement and happiness, better performance, fewer dropouts, and increased efficiency (Almaaitah et al., 2020). One of the most important components of an effective organization's competitive edge is its capacity to hire, retain, deploy, and engage personnel at all levels of the hierarchy. The significance of organizational commitment to achieving performance goals related to human resources is that effective talent management strategy execution improves employee engagement, which benefits the performance of the organization.

It has become more challenging to determine which organizations are more effective than others. This occurs because different organizations may have different ideas about the causes of an organization's effectiveness (RaeisiZiarani et al., 2023). The aim of organization management is to achieve goals and objectives in an effective and efficient way, which comprises the planning, coordination, direction, and control of organizational resources and activities. To ensure

effectiveness and long-term success, numerous aspects of an organization's staff, processes, culture, and structure must be monitored. These are important components of organization management. A strategic plan helps the organization stay on track for the future by directing resources and activities toward common objectives (Shahi et al., 2020). With the use of coding tools, behavioral factors influence talent management and production assessments. Talent management is a valuable tool for achieving corporate goals because it can achieve its aims, which are expected to increase knowledge of effective behavioral concepts on potential human resources (Kumar, 2022).

## **II. LITERATURE REVIEW**

Talent management is recognized as a crucial element for organizational performance and competitive advantage. Al Aina and Atan (2020) suggested using structural equation modeling (SEM) to confirm the proposed theories. Their research indicated that career management, development, and education enhance the long-term effectiveness of the company, whereas recruiting and maintaining talent had no impact. For sustainable growth, management should focus on job rotation, coaching, training programs, and employee career management. Verma and Arrawatia (2020) identified a beneficial correlation between organizational performance and talent management, emphasizing that organizational performance depends on employee performance. Organizations with specialized talent can stand out from their competition, making the retention and acquisition of skilled workers essential for HR managers in today's economic environment. Talent management is a complex and essential activity, with the right talent improving an organization's strategic approach. Son et al. (2020) examined the relationship between employee retention and talent administration, developing a multiple regression model. Their findings indicate that organizations that support career development and structured pay systems are more successful in attracting and retaining employees. Sopiah et al. (2020) proposed that organized and effective staff retention initiatives can significantly contribute to organizational success. Talent management involves the development of both individuals and organizations to adapt to a dynamic and complex work environment.

Hongal and Kinange (2020) addressed significant gaps in understanding the connections between employee management methods, organizational commitment, and pay satisfaction. Their research suggests that talent strategies promote democracy and equity within the organization, enhancing business commitment. Luna-Arocas et al. (2020) proposed that organizations with employees possessing specialized knowledge stand out from the competition. Effective talent acquisition strengthens a company's strategy, with modified regression analysis used for data analysis. Employee performance is also impacted by organizational commitment and culture.

Kravariti and Johnston (2020) suggested that public sector talent management requires the implementation of crucial HR procedures to align staff with the sector's strategic objectives and tackle complex challenges. Internal factors influencing talent management implementation include recruitment and selection methods and cultural factors, which can positively or negatively impact the process. Ju et al. (2020) found that talent management significantly impacts pharmaceutical organizations' overseas corporate body (OCB) and emotional commitment, with the connection between OCB and talent management positively mediated by contract execution.

## **III. OBJECTIVES OF THE STUDY**

To examine the impact of Talent Management (Talent Acquisition, Employee Training, and Career Development) on Organizational Commitment (Employee Loyalty and Job Satisfaction).

To analyze the relationship between Talent Management (Performance Appraisal, Talent Retention, and Leadership Development) and Organizational Innovation (Creative Problem Solving and Process Improvement).

To evaluate the influence of Talent Management (Succession Planning, Employee Engagement, and Competency Mapping) on Organizational Resilience (Adaptability and Crisis Management).

## **IV. RESEARCH METHODOLOGY**

The study sample consists of 150 employees from the pharmaceutical sector, selected using a stratified random sampling technique. Data was collected through an online survey using a five-point Likert scale ranging from 'Strongly Agree' to 'Strongly Disagree'. Statistical tools employed for analysis include Mean, Pearson Correlation, and Multiple Regression Analysis. To ensure the reliability of the questionnaire, data was cross-validated using Cronbach's Alpha

from a similar study conducted in the manufacturing sector, which yielded a value of 0.89. This confirms the questionnaire's reliability, as it exceeds the 0.7 threshold.

## V. DATA ANALYSIS AND INTERPRETATION

### Demographic Profile

The demographic profile of the respondents indicates that a typical respondent is male (85%), in the age group of 35 – 45 years (72%), married (65%), having a postgraduate degree (55%), working in senior management (70%), with experience of 15-20 years (60%) and with a monthly income of Rs.80,000-100,000 (75%).

### Dimensions of Talent Management and Organizational Performance – Weighted Mean

Having gained insight into the general demographic variables, the next part of the analysis examines the dimensions of Talent Management and Organizational Performance. All the four factors were examined using 20 statements measured on a five-point Likert scale ranging from 'Strongly Agree' to 'Strongly Disagree', with the weighted means depicted below. The two independent variables are Talent Acquisition and Talent Retention. The two dependent variables are Operational Efficiency and Employee Satisfaction.

S.No	Factors	Mean
1.	Talent Acquisition	4.45
2.	Talent Retention	4.58
3.	Operational Efficiency	4.72
4.	Employee Satisfaction	4.67

Source: Primary data

The above table depicts the two factors of Talent Management and two factors of Organizational Performance. It is inferred that Operational Efficiency is the most important factor (weighted mean = 4.72), followed by Employee Satisfaction (weighted mean = 4.67), Talent Retention (weighted mean = 4.58), and Talent Acquisition (weighted mean = 4.45). This implies that effective retention strategies and acquisition processes significantly contribute to enhancing operational efficiency and employee satisfaction.

### Relationship between Dimensions of Talent Management and Organizational Performance (Inter-Correlation)

S.No	Factors	Talent Acquisition	Talent Retention	Operational Efficiency	Employee Satisfaction
1.	Talent Acquisition	1	0.829**	0.745**	0.814**
2.	Talent Retention	0.829**	1	0.881**	0.909**
3.	Operational Efficiency	0.745**	0.881**	1	0.874**
4.	Employee Satisfaction	0.814**	0.909**	0.874**	1

Note: \*\* - significant at 0.01 (2 tailed)

The above table depicts a strong positive and significant relationship between Talent Acquisition and Talent Retention with Operational Efficiency and Employee Satisfaction at the 1% level of significance. Talent Retention is highly correlated with Employee Satisfaction ( $r = 0.909$ ) and Operational Efficiency ( $r = 0.881$ ).

Cause-Effect Relationship between Dimensions of Talent Management and Operational Efficiency - Regression

a. Predictors: (Constant), Talent Acquisition & Talent Retention

b. Dependent variable: Operational Efficiency

Note: 1. \*\* denotes significance at 1% level

The adjusted R square is 0.803, indicating the amount of variance explained in this study for which the regression equation is  $OE = 1.278 + 0.045 TA + 0.635 TR$ . The table below shows that Talent Retention has a significant impact on Operational Efficiency at the 1% level, whereas Talent Acquisition has no significant impact.

Model	Unstandardized Coefficients	Standardized Coefficient	T	Sig	Collinearity Statistics
B (Constant)	Std. Error 1.278	Beta 0.213		Tolerance 6.004	0.000
TA	0.045	0.101	0.042	0.446	0.658 (NS)
TR	0.635	0.076	0.791	8.355	0.000**
R Square value	0.803	F value	157.204	P value	0.000

**Cause-Effect Relationship between Dimensions of Talent Management and Employee Satisfaction – Regression**

a. Predictors: (Constant), Talent Acquisition & Talent Retention

b. Dependent variable: Employee Satisfaction

Note: 1. \*\* denotes significance at 1% level

The adjusted R square is 0.876, indicating the amount of variance explained in this study for which the regression equation is  $ES = 0.182 + 0.312 TA + 0.709 TR$ . The table below shows that Talent Retention has a significant impact on Employee Satisfaction at the 1% level, whereas Talent Acquisition also has a significant impact.

Model	Unstandardized Coefficients	Standardized Coefficient	T	Sig	Collinearity Statistics
B (Constant)	Std. Error 0.182	Beta 0.192		Tolerance 5.781	0.000
TA	0.312	0.089	0.271	3.506	0.001**
TR	0.709	0.065	0.712	9.215	0.000**
R Square value	0.876	F value	219.678	P value	0.000

These findings suggest that talent retention strategies are crucial for enhancing both operational efficiency and employee satisfaction, highlighting the importance of focusing on retaining skilled employees for organizational success.

**VI. CONCLUSION**

The study demonstrates that effective talent management practices, particularly talent retention and talent acquisition, significantly impact organizational performance in terms of operational efficiency and employee satisfaction. Talent retention, in particular, shows a strong positive correlation with both operational efficiency and employee satisfaction. This highlights the critical role that retaining skilled employees plays in achieving organizational success. Additionally, while talent acquisition also positively influences employee satisfaction, its impact on operational efficiency is less pronounced. Overall, the findings emphasize the importance of comprehensive talent management strategies in driving organizational performance and ensuring long-term success.

**VII. SUGGESTIONS**

- **Enhance Retention Strategies:** Organizations should focus on developing robust retention strategies, including career development opportunities, competitive compensation packages, and a supportive work environment, to keep skilled employees engaged and satisfied.
- **Strengthen Talent Acquisition:** Implementing effective recruitment processes that attract candidates with the right skills, knowledge, and cultural fit is crucial. This ensures that the organization continually brings in fresh talent to drive innovation and growth.
- **Continuous Training and Development:** Providing ongoing training and development programs can help employees enhance their skills and stay motivated. This not only improves their performance but also contributes to overall organizational efficiency.
- **Monitor and Adapt:** Regularly assess the effectiveness of talent management practices and be flexible in adapting strategies to meet changing business needs and employee expectations. This will help maintain a motivated and productive workforce.

- Foster a Positive Work Culture: Cultivating a positive and inclusive work culture that recognizes and rewards employee contributions can significantly boost employee satisfaction and loyalty, thereby enhancing overall organizational performance.

#### REFERENCES

- [1]. Almaaitah, M. A., Harada, Y., & Bin, A. (2020). Talent management practices and employee engagement: A study in the Jordanian banking sector. *Management Research Review*, 43(6), 749-767. doi:10.1108/MRR-12-2018-0480
- [2]. Hyde, A., & Jain, S. (2021). Talent management: A study of its impact on employee engagement and organizational performance. *International Journal of Management*, 12(4), 450-463.
- [3]. Ju, B., Li, J., & Lee, T. (2020). The impact of talent management on organizational commitment and organizational citizenship behavior: Evidence from the pharmaceutical industry. *Journal of Business Research*, 110, 387-395. doi:10.1016/j.jbusres.2019.11.07
- [4]. Kumar, S. (2022). Behavioral factors and talent management in organizational performance: An empirical study. *Journal of Organizational Behavior Research*, 7(2), 117-130.
- [5]. Kravariti, F., & Johnston, K. (2020). Talent management and public sector organizations: A systematic literature review. *Public Management Review*, 22(4), 483-511. doi:10.1080/14719037.2019.1619815
- [6]. Luna-Arocas, R., & Morley, M. J. (2020). Talent management, engagement, and organizational performance: A case study in the Spanish public sector. *International Journal of Public Administration*, 43(7), 627-640. doi:10.1080/01900692.2019.1672183
- [7]. RaeisiZiarani, M., Farsani, M., & Heidari, N. (2023). Organizational effectiveness through talent management: A comparative study. *International Journal of Human Resource Management*, 34(2), 321-342. doi:10.1080/09585192.2022.2101084
- [8]. Shahi, S., Patel, P., & Singh, R. (2020). Strategic talent management and organizational performance: An analysis of key factors. *Journal of Business Strategy*, 41(3), 56-69. doi:10.1108/JBS-03-2019-0056
- [9]. Son, S., Kim, D., & Lee, H. (2020). The relationship between talent management practices and firm performance: The role of HR practices and organizational culture. *Asia Pacific Journal of Human Resources*, 58(4), 507-523. doi:10.1111/1744-7941.12242
- [10]. Verma, S., & Arrawatia, M. (2020). Impact of talent management on organizational performance: A meta-analysis. *Human Resource Management Review*, 30(1), 100-115. doi:10.1016/j.hrmr.2019.100115