

Strategy Management and Practices of Talent Employee Retention and Effectiveness

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Abstract: *The talent management is one of the primary managerial tool in 21st century human assets management. This paper studied the strategies and practices of talent management and their impact on employee retention and effectiveness of its execution at AREVA T&D India Ltd. The prime focus of this study has to analysis the talent management initiative taken by the HR professional and find out the effectiveness of such initiatives as well as the satisfaction level of the employees. Simple percentage analysis, Chi square test and analysis of variance (ANOVA) were used for evaluation. The study revealed that age of employees is independent from satisfaction but experience of employees does affect the satisfaction with the practices of talent management. Finding of ANOVA revealed that each of the parameter has a different impact on effectiveness of talent management practices but a distinctive impact on employee's satisfaction.*

Keywords: Talent Management, Employee Retention, Employee Satisfaction, Chi square test, ANOVA, Areva T&D India Ltd.

1. Introduction

Talent management is one of the primary management tools for 21st century human asset management because the significant resource for firms competing in this century is no longer land, capital and other tangible assets but the human capital necessary to adapt organisations to global competition and maximise the benefits associated with the current technological boom. (Cappelli,2008). Goffee and Jones (2007) defined talent as a handful of employees whose ideas, knowledge and skills give them the potential to produce the disproportionate value from the resource they have available from them. Tansley et. at. (2006) pointed out that talent can be considered as a complex amalgam of employees' skills, knowledge, cognitive ability and potential. Employees values and work preferences are also of major importance.

Whilst, Ingham (2006) considered people who are in the key position, the leader team, the individual who has the scarce capability or make particular contribution to the organisation is talent. At the same time, talent means the total of all the skills, knowledge, experience and behaviours that a person has and brings to work. Talent therefore, is used as an all encompassing term to describe the human resources that organisations want to acquire and develop in order to meet their business goals (Cheese et. at.2008). The present study is an attempt has been made to study the strategies and practices of talent management and their impact on employee retention and effectiveness of its execution at AREVA T&D India Ltd. Naini, Allahabad (U.P.) India.

2. Objectives of the Study

- To identify the various challenges of talent management.
- To identify the ways to retain the best talent.
- To measure the effectiveness and execution of talent management.
- To measure the level of employee satisfaction with that of the practices of talent management.
- To obtain the best possible suggestion in order to increase the effectiveness of talent management practices.

3. Hypothesis

- There is no significant relationship between the age of the employees and their satisfaction with the practices of talent management.
- There is no significant relationship between the experience of the employees and their satisfaction with the practices of talent management.
- There is no significant difference in the impact of four different parameters upon the effective execution of talent management practices.
- There is no significant difference in the impact of four different parameters upon the level of employees' satisfaction with that of the practices of talent management in the organization.

4. Research Methodology

The methodology followed for conducting study includes the specification of research design, sample design, questionnaire design, data collection and statically tools used for analysing the collected data. With a view to analyse the strategies and practices of talent management and its impact on employee retention cum effectiveness of its execution at AREVA T&D India Ltd. Naini, Allahabad (U.P.). The questionnaire framed for the research study is a structured questionnaire. The survey questionnaire was framed in such a way that the answers reflect the ideas and thoughts of the respondents. The scales used to evaluate questions are Likert 5 point scale.

- Strongly agree.
- Agree
- Neither agree nor disagree
- Disagree
- Strongly disagree.

Two types of questionnaire were used for two different populations-

I. For only HR executives I. For only Executives (excluding HR).

The prime focus of this exercise was to compare with the responses obtained by above questionnaire. The talent management initiative was taken by the HR professionals, but the implications of this initiative refer to the employees. These questionnaires, helped to find out the effectiveness of such included management initiative as well as the satisfaction level of the employees. Secondary data consist of readily available information on various company databases, magazines, journals and writeups. Random sampling was done. Tools of analysis included simple percentage analysis, Chi square test and analysis of variance.

The chi square test is applied to test the goodness of fit, to verify the distribution of observed data with the assumed theoretical distribution.

Chi square test $(\chi^2) = \frac{(O-E)^2}{E}$

Degree of freedom $= V = (R-1)(C-1)$

where O = Observed frequency

E = Expected frequency

R = Number of rows

C = Number of columns

For the entire Chi square test the table value was taken @5% level of significance.

Analysis of variance (ANOVA) Single Factor- when looked at differences among three or more samples we use a statistical test called analysis of variance or ANOVA.

4.1 Calculation of Satisfactory Score

The respondents were asked to state their level of consent relating to the practices of talent management and effectiveness of its execution on 20 factors under four different parameters. Based on their responses the satisfaction score obtained, the score was allocated as follows -

- Strongly agree = 5;
- Agree = 4;
- Neither agree nor disagree = 3;
- Disagree = 2;
- Strongly disagree = 1

For each of the factors three levels of satisfaction were assigned namely high, medium and low. All responded based on their level of consent/talent regarding the practices of talent management by the HR department. Those who have obtained upto <3 point were classified under least consent category, respondent with 3 point classified under medium category and those with more than 3 points were classified under high consent category.

5. Review of Literature

Some studies conducted to highlight the strategies and practices of talent management and its impact on employee retention and effectiveness of its execution are –

Anand (2004) explored to understand the talent management innovation, practices and process in a major telecom company in India, Bharti Airtel. The research revealed the process of effective management of the talent pool which led

to enhanced employee engagement and reduced attrition and proportionately increased the average tenure of employees. The talent management strategy and processes have contributed in varying degrees in the development and growth of employees. Plansongnorn et. al. (2011) investigated talent management strategies and employee engagement implemented in three leading cement companies in Thailand. The study revealed that robust talent management planning, well supports of the management, organisational unity, balance of work and daily life, and other environmental factors were crucial factors that keep talent rooted to organisations.

Kule Lagunas (2012) suggested five employee retention strategies for higher performance environment i.e. (i) hire retainable employees (ii) plan carrier, don'ts fill roll (iii) make retention personnel (iv) get to the heart of under performance (v) invest in your line managers

According to Lalitha (2012) employee retention is the biggest challenge faced by HR in the modern economy. The author suggested some effective retention strategies i.e. changing hiring practices, employer branding, talent management, employee engagement, and exit interview.

According to Vijay Kumar et. al. (2012) Indian software industries face crises on various retention and attrition strategies of talented workers. The authors examine the phenomenon if employee retention in the IT sector can help the organisation in the sector to retain their valuable talented employees. The human resource department has to play a vital role is designing the policies, practices and strategies which can enable an organisation to retain the human resources contributing significantly to the business.

Eric et al. (2012) studied how employees regard the importance of their empowerment, equity of compensation, job design through training and expectancy toward effective performance management on their retention. It is found that training and development, appraisal system, compensation are significant to employee retention except employee empowerment.

Rani and Joshi (2012) address how recruitment and selection, a traditional function of HRM, need to be managed in an organisational context that has the focus on talent management. Expressed from a strategic business perspective, the talent management may be defined as a core sub-system of an organisation to develop a human resource asset base i.e. capable to support current and future organisational growth directions and objectives. Talent management may be described as comprising three key component talent identifications; -internal and external talent development; talent engagement, motivation and retention.

Mathew (2012) threw light on the use of talent management practices in some of the leading organisations, including multinational corporations in India. The Author has made an attempt to probe talent management and practices and processes in a sample of 11 organisations. Chosen on the basis of their international presence i.e. brand identify and long-term presence, web based survey of human resource professionals (47) and senior professionals (73) in respective

organisations, under study identified various practices that helped them to attract, select, develop and sustain talent.

Table 1: Item Wise Percentage Scores Practices of Talent Management and Their Impact On Employee Retention And Effectiveness. (For Executives Excluding HR)

Item	Score High	Medium	Low	Total
(A)	Compensation and Benefits-			
1.	67	28	5	100
2.	65	35	0	100
3.	65	35	0	100
4.	67	25	8	100
5.	65	35	0	100
(B)	Growth and Learning opportunity-			
1.	60	40	0	100
2.	67	33	0	100
3.	71	29	0	100
4.	70	30	0	100
5.	92	8	0	100
(C)	Organisational culture and policy			
1.	70	27	3	100
2.	67	25	8	100
3.	70	25	5	100
4.	68	27	8	100
5.	80	15	5	100
(D)	Relationship			
1.	72	28	0	100
2.	65	32	3	100
3.	67	33	0	100
4.	75	25	0	100
5.	70	25	5	100

Table 2: Item Wise Percentage Scores Practices Of Talent Management and their Impact On Employee Retention And Effectiveness. (For Executives)

Item	Score High	Medium	Low	Total
(A)	Work force planning and talent acquisition			
1.	80	20	0	100
2.	40	60	0	100
3.	70	30	0	100
4.	50	50	0	100
5.	90	10	0	100
(B)	Capability, development and performance			
1.	70	30	0	100
2.	60	30	10	100
3.	80	20	0	100
4.	90	10	0	100
5.	70	30	0	100
(C)	Leadership and high potential development-			
1.	60	40	0	100
2.	50	40	10	100
3.	60	40	0	100
4.	60	30	10	100
5.	80	20	0	100
(D)	Retention strategy			
1.	70	30	0	100
2.	90	10	0	100
3.	80	20	0	100
4.	90	10	0	100
5.	70	20	10	100

Chi I- square test is conducted to extend the relationship between the age of the employees and level of satisfaction regarding the practices of talent management.

Hypothesis -

Ho: There was no significant relationship between the age of the employees and their satisfaction with the practices of talent management.

Hi: There was a significant relationship between the age of the employees and their satisfaction with the practices of talent management.

Table 3: Table for Observed Value (O)

Age/Scores	Average Score	High Score	Total
25-34	16	4	20
35-44	9	3	12
45 & Above	3	5	8
Total	28	12	40

Table 4: Table for Expected Value (E)

Age/Scores	Average Score	High Score
25-34	14	6
35-44	8.4	3.6
45 & Above	5.6	2.4

Table 5:

Observed	Expected	(O-E)	(O-E) ²	(O-E) 2/E
16	14	2	4	0.29
4	6	-2	4	0.67
9	8.4	0.6	0.36	0.04
3	3.6	-0.6	0.36	0.10
3	5.6	-2.6	6.76	1.21
5	2.4	2.6	6.76	2.82
				Total-5.12

Table 6:

Degree of significance	0.05
Degree of freedom	2
Chi calculated	5.12
Chi critical	5.99

Degree of freedom = (R-1) (C-1)=(3-1)(2-1)=2 X 1=2

Table value = 5.12

Calculated value = 5.12

5.1. Interpretation

Since the calculated value is less than the table value. So the null hypothesis is accepted. Hence, there was no significant relationship between the age of the employees and their satisfaction with the practices of talent management. So it can be presumed that age of employees is independent from satisfaction with the practices of talent management.

Measure these variances by calculating SSB, the sum of squares between groups, and SSW, the sum of squares within groups are measured. Each of these sums of square are divided by their degrees of freedom, (dfB, degrees of freedom between, and dfW, degrees of freedom within) to calculate the mean square between groups, MSB, and the

mean square within group, MSW. Finally calculate F, the F-ratio, which is the ratio of the mean square between groups in the mean square within groups. Are calculated then the significance of F to complete analysis of variance is tested.

6. For HR Professionals

Ho: - There was no significant difference in the impact of different four parameters upon the effective execution of talent management practices.

Hi: - There was a significant difference in the impact of different four parameters upon the effective execution of talent management practices. For the purpose of comparative study the data have segregated into 4 different parameters (groups)-

- Workforce planning & talent acquisition-X1
- Capability, development & performance-X2
- Leadership & high potential development-X3
- Retention Strategy-X4

6.1 Interpretation

Since the P (Probability) value (0.87) is greater than the value of significance (0.05). So the Null hypothesis HO is rejected & alternate hypothesis HI is accepted. Hence, there was a significant difference in the impact of different four parameters upon the effective execution of talent management practices. So here it can be said that each of the parameters has a different impact on the effectiveness of talent management practices.

Table 11

X1	X2	X3	X4
4.2	3.7	3.9	3.3
3.4	3.6	3.7	4.5
4.1	4.2	4.1	3.6
3.5	3.8	3.4	4.1
3.9	4	3.3	3.6
Total 19.01	19.03	18.04	19.01

Table 12

Groups	Count	Sum	Average	Variance
X1	5	19.1	3.82	0.127
X2	5	19.3	3.86	0.058
X3	5	18.4	3.68	0.112
X4	5	19.1	3.82	0.227

Table 13

Source of Variation	SS	Df	MS	F	P-value	F crit
Between Groups	0.09	3	0.03	0.24	0.87	3.24
Within Groups	2.10	16	0.13			
Total	2.19	19				

6.1.1. Interpretation

Since the P (Probability) value (0.87) is greater than the value of significance (0.05). So the Null hypothesis HO is rejected & alternate hypothesis HI is accepted. Hence, there was a significant difference in the impact of different four

parameters upon the effective execution of talent management practices. So here it can be said that each of the parameters has a different impact on the effectiveness of talent management practices.

6.2 For Executives (Excluding HR)

Ho- There was no significant difference in the impact of different four parameters upon the level of employees' satisfaction with the practices of talent management in the organization, was obvious.

Hi: - A significant difference in the impact of different four parameters upon the level of employees' satisfaction with the practices of talent management in the organization was obvious.

For the purpose of comparative study the data were segregated into 4 different parameters (groups)-

- Compensation and Benefits- X1
- Growth and Learning opportunity-X2
- Organizational culture and Policies-X3
- Relationship-X4

7. Result/Findings

7.1. Findings From Simple Percentage Analysis

The table 1 and 2 under reference show the item wise percentage score obtained in the study on strategies and practices of talent management and its impact on employee retention and effectiveness of its execution at Areva T&D India Ltd. Some of trends are given below –

7.1.1. For HR Executive

(i) Organisation attracting the right kind of personnel that will help it to grow, (ii) recruitment methods used are efficient and suitable, (iii) organisation has right talent for its present as well as future strategies, (iv) organisation uses competency-based recruitment practices (competency identification and behavioral assessment) to hire the right staff, (v) managers consistently provide ongoing developmental feedback to support and encourage employee development, (vi) employees have a clear picture of skills they should build to support business growth, (vii) salaries and bonuses are linked to performance or the development of competences, (viii) managers are trained to select, identify, guide, coach, reward and retain their people, (ix) provide their employees with opportunities for growth and development of employees, (x) CEO and Board of Directors are actively involved with leadership development activities, (xi) Formal succession management is used to fill executive positions throughout the organisation, (xii) provide meaningful pay differentiation to high performers/high potentials through both base and variable pay, (xiii) rate of turnover in Areva T&D is lower, (xiv) provide a comfortable, safe work environment and have a good reputation in the community.

7.1.2. For Executives (Excluding HR)

(i) Salary that employees receive is adequate, (ii) organisation offers bonus & incentives, (iii) sufficient perks are provided in the company, (iv) organisation is much

concern about career development & growth opportunities for future, (v) training programs provided by the organisation are adequate for development, (vi) employees believe that their job is challenging to fully utilize their capabilities, (vii) employees are satisfied with the company as a place to work compared to other places, (viii) HR policies are effective to keep employees motivated and retained with the Organisation, (ix) organisation is much concern about employee's quality of life, (x) organisation culture is comfortable for employees, (xi) policies and rules are uniformly applied to all, (xii) superior & concerned authorities are supportive to their subordinates, (xiii) senior managers treat all employees as equal, (xiv) employee's work is often recognized and praised by their superiors, (xv) management takes regular feedback from the employees.

7.2 Finding from Chi-Square Analysis

- There was no significant relationship between the age of the employees and their satisfaction with the practices of talent management. So the age of employees is independent from satisfaction with the practices of talent management.
- There was a significant relationship between the experience of the employees and their satisfaction with the practices of talent management.

7.3 Finding From Analysis Of Variance (ANOVA)

- There was a significant difference in the impact of different four parameters upon the effective execution of talent management practices. So here it can be accepted say that each of the parameter has a different impact on effectiveness of talent management practices.
- There was a significant difference in the impact of different four parameters upon the level of employee's satisfaction with the practices of talent management in the organisation. So each of the parameter had an distinctive impact on employees satisfaction.

8. Conclusion

After going through the responses given by the employees and their analysis the following is concluded-

- Workforce planning & talent acquisition practices in Areva T&D Naini are effectively executed, they attract right kind of personnel and use suitable recruitment methods.
- Management is very much concerned about developing their employee's capabilities & performance by providing them the opportunities for growth and development through proper guidance and feedback.
- In Areva T&D leadership and high potential development is on priority as their CEO and Board of Directors are actively involved with leadership development activities.
- Formal succession management is used to fill executive positions throughout the organisation and they provide meaningful pay differentiation to high performers/high potentials.
- Areva T&D has given a top most priority to their retention strategy and adopt various techniques to retain competent

employees with them through a long run; with the result that the rate of turnover is very low.

9. Suggestions

The suggestions which can be made at this juncture are :

- Organisation must have meaningful descriptions of the capabilities (skills, behaviors, abilities and knowledge) required throughout the organisation.
- Organisations must be able to relate the skills and culpabilities to a role or a center of demand, such as a job position, project or leadership role.
- Talent management processes must create a comprehensive profile of their people - employees, contractors, or candidates.
- More certified training should be given to the employee to boost their effectiveness and efficiency. It should be used as a tool of motivation.
- To create a sophisticated talent management environment, organisation must:-
 - define a clear vision for talent management;
 - develop a roadmap for technology and process integration;
 - integrated and optimise process;
 - apply robust technology to enable processes; and
 - prepare the workforce for change associated with the new environment.

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19. I find myself comfortable with the organisation culture.
20. Management takes regular feedback from

Annexure

11.1. Talent Management & Employee Retention Questionnaire

Only for Executives (Excluding HR & Dept. Head)

Kindly rate the given statement by putting a tick mark () in the appropriate cell.

Respondent details :-

Department : Designation/Grade:

Age: Years of Experience:

11.1.1. Questionnaire

1. This organization is much concern about our career development and growth opportunities for future.

- i. Strongly agree.
- ii. Agree
- iii. Neither agree nor disagree
- iv. Disagree
- v. Strongly disagree

2. Over all I am satisfied with this company as a place to work compared to other places.

3. Training programmes provide by the organization are adequate for our development.

4. My salary that I receive is adequate.

5. HR policies are effective to keep employee motivated and retained with the organization.

6. Senior managers are much concern about our selves and they care for us.

7. Apart from financial benefits, career growth, work culture and international opportunities are important for us.

8. I get frequent salary increments.

9. Organization is much concern about our quality of life.

10. My organization offer bonus & incentives.

11. Senior managers treat all employees as equal.

12. I get sufficient perks.

13. I think my job is challenging to fully utilize my capabilities.

14. I am getting required support from my superior and concerned authority.

15. I am extremely satisfied with the salary and benefits package I receive.

16. Policies and rules are uniformly applied to all.

17. I believe that my job is purposeful for attaining the objectives of the organization.

18. My work is often recognized and praised by my superiors