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Impact Of Talent Management On Employee Job Performance In Information Technology (It) Sector: An Empirical Study Of Chennai City

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Dr S. Mohana[1], Mr. Kathari Santosh[2], Dr. M. Rama Kumari[3] and Dr. Kasa Sudarsan[4], Impact Of Talent Management On Employee Job Performance In Information Technology (It) Sector: An Empirical Study Of Chennai City- Palarch's Journal Of Archaeology Of Egypt/Egyptology 18(4), 1-14. ISSN 1567-214x, Key Words: Talent Management, Employee Job Performance, IT Sector and Chennai City.

Abstract

This paper aims to explore the composition of "Job Performance" for employees in IT industry of Chennai city. The paper applies data reduction using Confirmatory Factor Analysis (CFA) on a sample of 222 respondents and reduces a set of 13 variables into a list of three comprehensible talent management determinants. The present study proposes a model of the impact of talent management determinants on the employee job performance. The study found that talent retention, leadership and rewards are impacting significantly on the employee job performance. Therefore, IT companies can improve employee job performance by concentrating above factors. This will helps to improve the productivity in the organization.

Key Words: Talent Management, Employee Job Performance, IT Sector and Chennai City.

Introduction

Talent is the ability, skill, Knowledge of employees to perform the job effectively to achieve the organizational goals. In a globalized era managing and developing talent

became the crucial factor in the success of the organization. Talent Management is not limited to acquiring the right candidate but beyond it extends to identifying the untapped and unusual qualities of your employees to develop and retain them to get the desired results.

Talent Management defined as 'the systematic attraction, identification, development, engagement/retention and deployment of those individuals with high potential who are of particular value to an organization'.

Literature Review

Lakhwinder Singh Kang & Harpreet Sidhu (2011) in their study talent Management at Tata Consultancy Services found that the philosophies of leadership, delivery excellence and the promise of 'Experience Certainty' are pillars on which the success of TCS is cemented. The immense talent, professionalism, dedication and support of TCS continues to be the company's greatest asset. TCS has grown multi-fold in the last five years. It has successfully put in place a robust Talent Management process to identify talent, mentor and create an effective succession planning. Today, we need to take talent management to the next level.

Yalcin Vural et al., (2012) conducted survey on how talent management affects to the employee commitment and the study revealed that talent management integrated human resources procedures and performance systems have positive impact on employee commitment.

James Kwame Mensah (2015) found that implementation of a talent management system leads to employee performance, but a talent management output mediates the relationship between talent management and employee performance.

Satish Chandra Agarwal and Dr. Rajeev Jain (2015) study indicates that all the executives are satisfied with the talent management practices in their organization as most of the responses received were in strongly agree and agree categories.

James Kwame Mensah et al., (2016) showed that talent management practices increase positive talented employee performance of task, contextual and adaptive, whereas it reduces counterproductive behaviors. Second, talented employee work attitudes of job satisfaction and affective commitment partially mediate the relationship between talent management practices and four dimensions of talented employees' performance.

Puja Sareen and Shikha Mishra (2016) study was to find out the impact of talent management on organizational performance for selected IT organizations in the NCR area. They found that there is partial impact of talent management on the performance.

Pamela T. Elia et al., (2017) results proved that talent management initiatives at Lebanese Banks were impact on the leadership quality, business unit productivity and teamwork in the organization.

Eglal Hafez et al., (2017) found that the components of talent management (motivating outstanding performance, training and development, job enrichment) have a significant impact on job satisfaction and on employee retention.

Deepika Pandita and Sampurna Ray (2018) concludes that a synchronization of talent management practices and employee engagement initiatives leads to improved talent retention and proposes a model to this end.

Erkut Altindağ et al. (2018) found that effective talent management practices have important influences on human resources, which is the most critical element in a company's survival.

Hitu and Satyawan Baroda (2018) indicates that talent management practices have direct impact on employee motivation, employee creativity, and employee satisfaction and employee competency.

Nadine EI Masri and Abubakr Suliman (2019) results of the empirical research uncover that talent management and employee recognition can significantly affect the level of employee performance, as well contributing to the organizational success and positioning. This study also found that talent management and employee recognition are interrelated variables that affect employee performance.

Syed Hussain Al-Hussaini et al. (2019) results indicated that talent management strategies significantly and positively affect employees' performance behavior; whereas the talent management outputs partially mediate the relationship between talent management strategies and employees' performance behavior.

Munaza Bibi (2019) outcomes of the study revealed a significantly positive effect of talent management practices i.e. recruitment and selection for talent attraction, coaching and mentoring for learning and development of talent, compensation for retention of talent on employee performance.

Amina R. Malik and Parbudyal Singh (2020) found that, based on theoretical framework in the context of both inclusive and exclusive talent management, perceived equity is a valuable resource that motivates employees and results in favorable outcomes.

Moza Abdallah Soud et al., (2020) concludes that the three independent variables to talent management practices; recruitment, selection and learning & development strongly impact organizational performance in Islamic banks in Kenya. But not for employee retention which has no impact on organizational performance.

Wickramaaratchi D.R. and Perera G.D.N. (2020) study revealed that talent management has a significant positive impact over employee performance and job satisfaction and also proposed that adopting talent management is worthwhile as it leads to build a satisfied young generation and improved performance at work.

Riham Al Aina and Tarik Atan (2020) results of this study show that talent attraction and talent retention had no impact on the sustainable organizational performance, whereas learning and development and career management were found to have significantly positive impacts.

Hayfaa Tlaiss (2021) study indicated that relative consensus in talent philosophies across organizations in four industries; talent was largely perceived as exclusive, despite disagreements on whether it was stable or developable. Differences were identified in terms of how talent management was understood in organizations and also how it was executed in practice in terms of talent identification and recruitment, training and development, performance assessment and talent retention.

Oluwatobi I. Omotunde and Gabriel O. Alegbeleye (2021) concluded that talent management practices had an effect on job performance of librarians in university libraries in South-West, Nigeria.

Research Problem

Talent management is a global human resources strategy aimed at identifying, developing, deploying, and retaining high-potential employees in a company. The majority of studies found that talent management practices are the most important influences on employee job performance in any company, according to the above literature. Many studies have been undertaken in various areas of various sectors in order to determine talent management practices. However, there have been very few studies in the information technology industry. Understanding talent management practices in the information technology industry and their effect on employee job performance are the core challenges in talent management. For fulfilling this gap the researcher aims to

identify the determinants of talent management practices in top information technology companies in Chennai city and also study how these determinants are impacting on the employee job performance. For analyzing data, the researcher were applied Confirmatory Factor Analysis (CFA) and Multiple Regression are used.

Research Objectives

1. To identify the determinants of talent management in information technology sector.
2. To study the impact of talent management determinants on employee job performance.

Research Hypothesis

H01: There is no significant relationship between talent management determinants on employee job performance.

$H0_{1.1}$: There is no significant relationship between talent retention on employee job performance.

$H0_{1.2}$: There is no significant relationship between leadership on employee job performance.

$H0_{1.3}$: There is no significant relationship between rewards on employee job performance.

Research Methodology

Sampling Procedure

Talent management is must irrespective of size, sector and location of the company. An attempt was made to contact the information technology companies in Chennai through emails as majority of information technology companies are located in these areas in South India. In response to this five companies have positively responded and permitted to do research. As many as 1200 questionnaires were mailed to employees in these five companies. Out of them significant number of questionnaires were received from three companies and to a maximum of 80 each only as the information on the said topic was not familiar and comprehensible to many. Further employees beyond team leader only are taken in the sample frame as they only would have a say in the talent management practices. The three companies are thus selected purposively. The selected three companies are as follows; Accenture, TCS and IBM.

Where ever the number of questionnaires filled in all aspects is less than 74, further attempts are made to reach the quota of at least 74 by adopting quota sampling. Out of the received filled in questionnaires, 222 were with full information in all aspects. Hence the sample size is 222 employees. While selecting employees of the three companies care has been taken to cover them from different locations.

Sample Size

As many as 1200 questionnaires were mailed to employees in the select companies. Out of the received filled in questionnaires, 222 were with full information in all respects. Hence the sample size is 222 employees.

Statistical Tools

- Reliability Test
- Confirmatory Factor Analysis (CFA)
- Regression (Multiple)

Data Analysis & Results

Reliability & Validity Test

Table.1: Case Processing Summary

		N	%
Cases	Valid	222	100.0
	Excluded[a]	0	.0
	Total	222	100.0

a. Listwise deletion based on all variables in the procedure.

Table.2: Reliability Statistics

Cronbach's Alpha	N of Items
0.851	13

The internal consistency of the questionnaire of 13 questions with a value of the Cronbach's Alpha is 0.851, which shows that data is 85.1 per cent reliable and valid.

The Measurement Model-CFA

AMOS output of the measurement model or Confirmatory Factor Analysis (CFA) is shown in the graphical form as given in figure.1. The double headed arrow between two latent variables indicates their covariance relationship. The values can range from -1 to 1 and the value closer to 1 indicate that there is a higher level of covariance/correlation between the constructs. The single headed arrow from the latent variable to the indicator represents the factor loading i.e. the contribution of indicator to the latent variable. The value closer to 1 indicate that the contribution is more.

AMOS output of the measurement model or CFA -Standardized

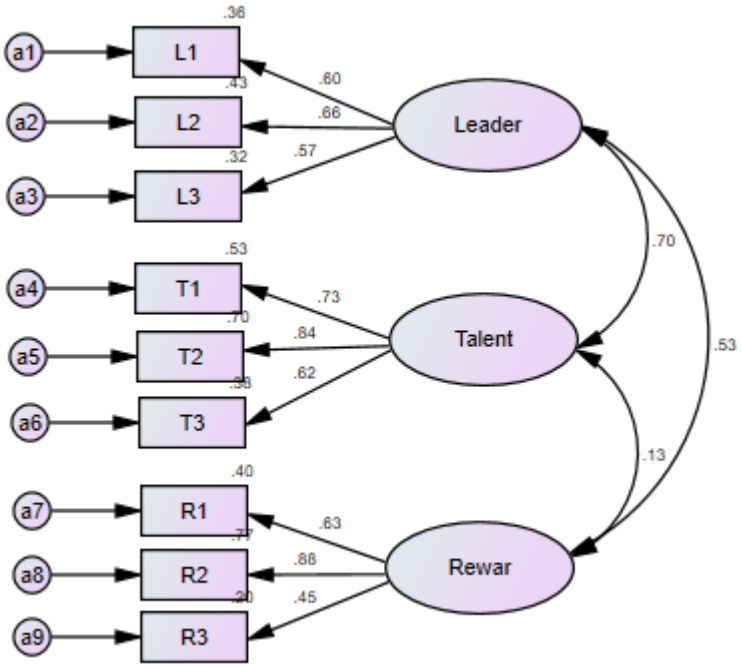

Figure: 1. AMOS output of the measurement model or CFA -Standardized

Table.3: Regression Weights: (Group number 1 - Default model)

			Estimate	S.E.	C.R.	P	Label
L1	<---	Leadership	1.000				
L2	<---	Leadership	1.167	.180	6.481	***	
L3	<---	Leadership	.938	.158	5.929	***	
T1	<---	Talent Retention	1.000				
T2	<---	Talent Retention	1.218	.134	9.073	***	
T3	<---	Talent Retention	.924	.119	7.787	***	
R1	<---	Reward	1.000				
R2	<---	Reward	1.302	.209	6.233	***	
R3	<---	Reward	.761	.141	5.409	***	

Table.4: Standardized Regression Weights: (Group number 1 - Default model)

			Estimate
L1	<---	Leadership	.599
L2	<---	Leadership	.657

			Estimate
L3	<---	Leadership	.566
T1	<---	Talent Retention	.728
T2	<---	Talent Retention	.835
T3	<---	Talent Retention	.619
R1	<---	Reward	.629
R2	<---	Reward	.876
R3	<---	Reward	.449

Table.5: Covariance's: (Group number 1 - Default model)

			Estimate	S.E.	C.R.	P	Label
Leadership	<-->	Talent Retention	.536	.106	5.060	***	
Talent Retention	<-->	Reward	.103	.073	1.408	.159	
Leadership	<-->	Reward	.366	.093	3.921	***	

Table.6: Correlations: (Group number 1 - Default model)

			Estimate
Leadership	<-->	Talent	.697
Talent Retention	<-->	Reward	.126
Leadership	<-->	Reward	.527

Table.7: Variances: (Group number 1 - Default model)

	Estimate	S.E.	C.R.	P	Label
Leadership	.653	.162	4.032	***	
Talent Retention	.904	.169	5.359	***	
Reward	.740	.180	4.115	***	
a1	1.170	.143	8.166	***	
a2	1.173	.159	7.395	***	
a3	1.218	.144	8.486	***	
a4	.802	.112	7.144	***	
a5	.581	.127	4.580	***	
a6	1.245	.144	8.620	***	

	Estimate	S.E.	C.R.	P	Label
a7	1.128	.152	7.417	***	
a8	.380	.175	2.177	.029	
a9	1.698	.181	9.362	***	

Table.8: Squared Multiple Correlations: (Group number 1 - Default model)

	Estimate
R3	.201
R2	.767
R1	.396
T3	.383
T2	.698
T1	.530
L3	.321
L2	.431
L1	.358

SEM PATH

After complying with Reliability and Validity checks using Confirmatory Factor Analysis (CFA), estimation of overall Model fit was done using structural equation modelling. First, we need to construct the SEM path diagram based on the theoretical frame work. The structural model path diagram is shown in above figure is a graphical representation of the mathematical equation (Byrne, 2010). It shows how the independent and dependent constructs are interrelated with each other in a structured mathematical manner. The one-way arrow which starts from the exogenous variable and ends to the endogenous denotes the regression weight. We can understand the level of impact of the exogenous variable on an endogenous variable by its unstandardized and standardized regression coefficients. The two-way arrow denotes the covariance or correlation.

Totally there are 9 observed variables which are referred as predictors as it predicts the constructs or latent variables and there are totally 4 unobserved variables which can also be referred as latent variables or constructs as it is conceptually related with the observed variables. The exogenous variables-leadership, reward and talent retention affects the endogenous variable –employee job performance and every observed variable have an error term and it is denoted with a1 to a9. Few latent variables like process conflict, cognitive conflict, and affective conflict are inter correlated by drawing the covariance curves in the model.

Once the structural equation model is drawn using AMOS, the sample data is imported from SPSS and we need to run the model. If the data meets all the assumptions of SEM

as discussed in the previous topics, then we shall get the output without any error in both graphical and tabulated form.

Structural Model Fit Estimation (Regression)

Figure 2 indicates the standardized path regression coefficients and the relationship between unobserved and observed variables with respect to the path diagram.

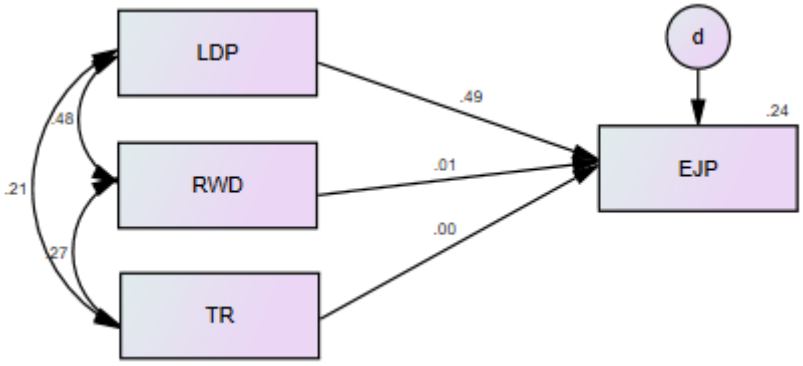

Figure: 2. Structural model fit estimation

The structural model fit is checked based on CMIN/df, p-value, Goodness of Fit (GFI), Adjusted Goodness of Fit (AGFI), NFI, Comparative Fit Index (CFI), Root Mean Square of Approximation (RMSEA) and P Close. The Model fit indices for the constructs have been found and the summary of the result is shown in the below table where the obtained Model fit indices are compared with the recommended value. The detailed AMOS output is given tables. We have not considered the actual chi square value as the chances of model rejection will be high when the sample size increases. Hence we have divided the chi square value with the degrees of freedom so that we can overcome the sample size issue. The result of chi square value divided by the degrees of freedom is shown in the table as 2.486 which is below than the acceptable limit 3. The obtained p-value is 0.05 which is equal to the recommended value. The obtained GFI value is 0.9 which is equal to the recommended value of 0.9. The obtained AGFI value is 0.842 which is above the recommended value of 0.80. The obtained NFI value is 0.936 which is greater than the recommended value of 0.90. The obtained CFI value is 0.962 which is greater than the recommended value of 0.90. The obtained RMSEA value is 0.313 which is lesser than the recommended value of 0.80. The obtained P-close value is 0.00 which is less to the recommended value of 0.05. Hence we can find the overall model fit indices are within the acceptable recommended values as proposed by the researchers, so we can conclude that the hypothesized model fits with the sample data. All the nine parameters have met all the other recommended value to verify fitness of the model. Hence we can conclude that the model is perfectly fit.

Table.9: CMIN

Model	NPAR	CMIN	DF	P	CMIN/DF
Default model	10	.000	0		2.486
Saturated model	10	.000	0		
Independence model	4	126.742	6	.000	21.124

Table.10: RMR, GFI

Model	RMR	GFI	AGFI	PGFI
Default model	.000	.900	0.842	.652
Saturated model	.000	1.000		
Independence model	.329	.754	.590	.452

Table.11: Baseline Comparisons

Model	NFI Delta1	RFI rho1	IFI Delta2	TLI rho2	CFI
Default model	.936	.920	.951		.962
Saturated model	1.000		1.000		1.000
Independence model	.000	.000	.000	.000	.000

Table.12: Parsimony-Adjusted Measures

Model	PRATIO	PNFI	PCFI
Default model	.000	.000	.000
Saturated model	.000	.000	.000
Independence model	1.000	.000	.000

Table.13: NCP

Model	NCP	LO 90	HI 90
Default model	.000	.000	.000
Saturated model	.000	.000	.000
Independence model	120.742	87.790	161.127

Table.14: FMIN

Model	FMIN	F0	LO 90	HI 90
Default model	.000	.000	.000	.000
Saturated model	.000	.000	.000	.000
Independence model	.618	.589	.428	.786

Table.15: RMSEA

Model	RMSEA	LO 90	HI 90	PCLOSE
Independence model	.313	.267	.362	.000

Table.16: AIC

Model	AIC	BCC	BIC	CAIC
Default model	20.000	20.500	53.279	63.279
Saturated model	20.000	20.500	53.279	63.279
Independence model	134.742	134.942	148.054	152.054

Table.17: ECVI

Model	ECVI	LO 90	HI 90	MECVI
Default model	.098	.098	.098	.100
Saturated model	.098	.098	.098	.100
Independence model	.657	.497	.854	.658

Table.18: HOELTER

Model	HOELTER .05	HOELTER .01
Default model		
Independence model	21	28

Testing Structural Relationships

To know whether the hypothesized paths are significant or not, the standardized regression weights of the output of the hypothesis path are compared against the p-value.

The below table shows the relationship between Independent and dependent variables with respect to hypothesis. By referring to the p-value, each and every hypothesis has been specified whether it is significant or not significant. The result shows that the hypothesized model fits with the obtained sample data.

The summary and interpretation of the result are given below:

$H0_{1.1}$: There is no significant relationship between talent retention on employee job performance.

The probability of getting a critical ratio as large as 0.045 in absolute value is .014. In other words, the regression weight for talent retention in the prediction of employee job performance is significantly different from zero at the 0.05 level (two-tailed).

$H0_{1.2}$: There is no significant relationship between leadership on employee job performance.

The probability of getting a critical ratio as large as 7.027 in absolute value is 0.001. In other words, the regression weight for leadership in the prediction of employee job performance is significantly different from zero at the 0.005 level (two-tailed).

$H0_{1.3}$: There is no significant relationship between rewards on employee job performance.

The probability of getting a critical ratio as large as 0.172 in absolute value is .003. In other words, the regression weight for reward in the prediction of employee job performance is significantly different from zero at the 0.05 level (two-tailed).

Table.19: Estimated Standardized regression of the hypothesis

S. No.	Hypothesis	Standardized Regression Weights	P	Significant/Not Significant
$H0_{1.1}$	There is no significant relationship between talent retention on employee job performance.	-0.003	0.014	Significant
$H0_{1.2}$	There is no significant relationship between leadership on employee job performance.	0.488	0.000	Significant
$H0_{1.3}$	There is no significant relationship between rewards on employee job performance.	0.12	0.003	Significant

Conclusion

The study investigated the impact of talent management determinants on employee job performance. Based on the analysis, concluded that talent retention, leadership and rewards are impacting significantly on the employee job performance of information technology companies in Chennai City. The study was limited to information technology sector. Further research, the study can be extended to other sectors for determining talent management factors and its impact on the employee job performance. This will help to the concern sector for strengthening talent management practices followed by the companies.

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