

## RESEARCH ARTICLE

# Talent Management Practices and Sustainable Organizational Performance in Cement Industry

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## Abstract

**Purpose:** This paper aims to explore the composition of “OrganizationPerformance” for employees in Cement Industry of Rayalaseema Region.

**Research Methodology:** The paper applies analyzing data using Reliability Test, Confirmatory Factor Analysis (CFA) and Multiple Linear Regression on a sample of 286 respondents and reduces a set of 24 variables into a list of six attributes talent management practices.

**Finding:** The present study proposes a model of the impact of attributes talent management practices on the organizational performance.

**Implication:** The study found that talent acquisition & retention, performance management, learning & motivating, compensation, career development and succession planning are impacting significantly the organizational performance. Therefore, Cement companies should focus on the above factors to provide better talent management practices.

**Key words:** Talent Acquisition & Retention, Performance Management, Learning & Motivating, Compensation, Career Development and Succession Planning and Sustainable Organizational Performance

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## 1. INTRODUCTION

Talent management is quick acquiring a first concern for associations across the world. Patterns for talent the board, talent wars, talent attacks and talent deficiency, talent measurements maintenance and worries for talent system are communicated in the writing, across different nations like the USA, the UK, Australia, Japan, China, India, and across Asia.<sup>[1,2]</sup> Talent management was at first intended to work on the cycle for selecting and creating individuals with the necessary abilities and fitness to meet current hierarchical requirements. The different parts of talent the executives are enlistment, determination, on-boarding, coaching, execution the executives, vocation advancement, authority improvement, substitution arranging, profession arranging, acknowledgment and award.<sup>[3]</sup> Rivalry and the absence of accessibility of exceptionally gifted and talented workers make finding and holding skilled representatives significant needs for associations.<sup>[4]</sup> To draw in and hold the best talent anyplace on the planet, an association should have a solid and positive business brand.<sup>[5]</sup> Business brand intercessions in ongoing examination demonstrates talent the board as a critical driver for this methodology, and is on the plan for HR chiefs in 2007 and past.<sup>[6]</sup> Talent has become the critical differentiator for human resources the executives and for utilizing upper hand. Grounded inside

vital HRM,<sup>[7]</sup> the administration of talent is by all accounts one of the key capacities that HRM is playing deliberately in the associations.<sup>[8]</sup> Ongoing exploration shows that the battle for talent is exceptional because of work market deficiencies,<sup>[9]</sup> yet almost no examination consideration has been focused on serious talent the executives' methodologies. Further,<sup>[10]</sup> mirror that the regular HRM/ talent outlook, which sees execution results as a chance for an «evaluation» of capacity, prompts lower execution and despondent staff who don't satisfy their latent capacity and hence would reflect low talent commitment.

## 2. Literature Review

Describe talent as small bunch of representative whose thoughts, information and abilities give them the possibility to create the unbalanced vale from the asset they have accessible from them.<sup>[11]</sup> Call attention to that talent can be considered as a mind boggling mixture of workers' talents, information,<sup>[12]</sup> psychological capacity and potential. Representatives' qualities and work inclinations are additionally vital. While,<sup>[13]</sup> considers individuals who are in the key position, the pioneer group, the person who has the scant capacity or make specific commitment to the association is talent. Simultaneously, talent implies the all out of all the experience, information,

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abilities, and practices that an individual has and brings to work. Talent along these lines, is utilized as a widely inclusive term to portray the HR that associations need to obtain, hold and create to meet their business objectives.<sup>[14]</sup> Led a basic survey of the talent management literature both in the expert and scholastic disseminations, and closed three essential originations of the term.<sup>[15]</sup> Right off the bat, talent management is contained an assortment of ordinary human asset division practices, for example, enlisting, choice, improvement and profession and progression the executives. Besides, talent management all the more explicitly centers around anticipating the progression of HR all through the association, in light of such factors as labor force talents, organic market, and development and wearing down. According to this viewpoint, talent the executives is viewed as pretty much inseparable from human asset or labor force arranging, especially whenever computerized and associated with other authoritative data sets and frameworks. Finally, talent was characterized as people who have the capacity to have a huge effect to the current and future presentation of the organization.<sup>[16]</sup>

Talent management is in this manner, characterized here as both a way of thinking and a training. Its anything but an embraced and authorized responsibility shared at the most elevated levels and all through the association by every one of those in administrative and administrative positions – to carrying out a coordinated, key and innovation empowered way to deal with HR the board (HRM), with a specific spotlight on human asset arranging, including representative enlistment, maintenance, advancement and progression rehearses, preferably for all workers however particularly for those distinguished as having high potential or in key positions. This responsibility stems to some degree from the broadly shared conviction and unequivocal acknowledgment that HR are an association's essential wellspring of upper hand; a fundamental resource that is turning into an undeniably short stockpile. As well as adding to a viable talent the executives, an association's talent the board procedure ought to likewise add to representative commitment which alludes to an increased passionate and scholarly association that a worker has for his/her work, association, supervisor, or colleagues that thus impacts him/her to apply extra optional exertion to his/her work.<sup>[17]</sup> For this exploration, representative commitment implies an estimation of the energy and enthusiasm that workers have for their associations. Connected with representatives are people who make a move to further develop business results for their associations. They stay, say, and endeavor stay with and are focused on the association, praise their working environment, and endeavor to do an amazing job to convey exceptional work,<sup>[18]</sup> in his investigation has said that talent management is another however troublesome wonder to quantify and to classify because of various organization viewpoint about what establish talent in the staff inside the firm. Additionally, the effect of talent management on the organizational performance is similarly an issue particularly where just essential staffs are treated as talent of the firm.<sup>[19]</sup> In their investigation have communicated that the impacts of various kinds of talent management strategies on organizational performance. The other presented four distinct systems and show what they mean for organizational performance. For this reason, different utilizations an especially nitty gritty dataset of 138 Swiss organizations. The other find that talent management zeroing in on holding and creating

gifts decidedly affects human asset results, for example, job satisfaction, motivation, commitment and trust in leaders. Besides, talent management practices with a solid spotlight on corporate procedure altogether affect organizational results, for example, organization allure, the accomplishment of business objectives, consumer loyalty and, most importantly, corporate benefit, more so than whatever other regions that talent management centers upon.

### 3. Research Gap

The outcomes from different surveys zeroed in on the requirement for talent management practice in different areas. The research gap from the survey has been distinguished that endeavors are being had to analyze the talent management practices impact on organizational performance. In any case, the review exposes that no exertion has been had to examine the talent management practices impact on organizational performance rehearses in cement companies and to employees especially. The current investigation zeroed in on assessing the significance of talent management practices impact on organizational performance of cement companies and in employees' level especially in the examination region.

### 4. Research Problem

In cement industry, there is nothing more crucial than fitting the right employee in the right position. When people do job it is not that just suit their liking, inclination or temperament, the results, are rather the lack of them will be disastrously obvious. Low productivity, dissatisfaction, low morale, absenteeism and other negative behavior will become typical till the employee is shown the door. Or perhaps, there is another option - Talent Management. Business searches for new and/or better means of achieving competitive advantage, the capacity of every functional area to improve organizational performance is under scrutiny. Although talent management practices may be applied in cement companies, they can only contribute optimally to business performance for manager are aligned on its objectives and the way in which it is implemented in the organization.

### 5. Research Objectives

1. To identify the attributes of talent management practices in cement companies.
2. To measure the impact of attributes of talent management practices on organizational performance.

#### 5.1 Research Hypothesis

- **H01:** There is no significant relationship between attributes of talent management practices on organizational performance in cement companies.

### 6. Research Methodology

The research has been undertaken realizing the importance of talent management in the global arena and lack of research in the cement industry on the aspect. The research has been undertaken among the employees of cement companies in the geographical boundaries of the Rayalaseema Region. Five Cement Companies, viz. Penna

Cements Pvt. Ltd., Bharathi Cements Pvt. Ltd., India Cements Ltd., Zuari Cement Ltd., and Coromandel King Cement, were selected for the study. A sample of 260 executives, 52 from each unit was chosen. The sample was selected using simple random sampling. A questionnaire was developed for the study. The executives were asked to rate the talent management practices in their organizations on a five-point Likert scale, with 1 as Strongly Disagree and 5 as Strongly Agree. Twenty-four statements divided in six factors, viz. Talent Acquisition & Retention, Performance Management, Leaning & Motivating, Compensation, Career Development and Succession Planning were asked in the questionnaire. 286 completely filled questionnaires were received and analyzed. Confirmatory Factor Analysis (CFA) and Multiple Linear Regression was used to analyze the data.

## 7. Data Analysis

### Reliability Test

In internal consistency method, reliability is considered as internal consistency, which is the degree of inter-correlation among the items that constitute a scale. It represents the level of homogeneity in the items of the scale. Internal consistency is measured using a reliability coefficient of Cronbach's alpha. The standardized Cronbach's coefficient alpha has been calculated for the (24) items of the data collected. The internal consistency of the questionnaire of 24 questions with a value of the Cronbach's Alpha is .909, which shows that data is 90.9 per cent reliable.

## 8. CONFIRMING THE MEASUREMENT MODEL BY CFA

### Confirmatory Factor Analysis of Employee Retention Practices

The measures adopted to study the retention practices have already been validated by other researchers as mentioned earlier. So, we have only conducted a confirmatory factor analysis in order to establish the valid factor structure of Human Resource practices. The proposed six-factor model (see Figure 1) was found to fit the research study. The model with a chi-square of 472.274,  $df = 155$  CFI = 0.864, TLI = 0.833, AIC = 622.274, RMSEA = 0.085. Good fit values that are generally acceptable for CFI and TLI should be near to 0.95 and for RMSEA should be less than 0.08 (Hair et al., 2010).

### 8.1 Selected Variables Expansion

TALENT (Talent Acquisition & Retention), A PERF (Performance Management), LEARN (Learning & Motivating), COMPEN (Compensation), CARE (Career Development) and SUCC (Succession Planning).

Talent management practices (Talent Acquisition & Retention, Performance Management, Leaning & Motivating, Compensation, Career Development and Succession Planning). Figure 1 shows a significant inter-factor correlation between talent acquisition & retention and performance management at a significant level ( $r = 0.67, p < 0.05$ ), talent acquisition & retention and learning & motivating ( $r = 0.75, p < 0.05$ ), talent acquisition & retention and compensation ( $r = 0.31, p < 0.05$ ), talent acquisition & retention talent acquisition & retention and career development ( $r = 0.51, p < 0.05$ ), talent acquisition & retention and succession planning ( $r = 0.65, p < 0.05$ ), performance management and leaning & motivating ( $r = 0.77, p < 0.05$ ), performance management compensation

( $r = 0.37, p < 0.05$ ), performance management and career development ( $r = 0.58, p < 0.05$ ), performance management and succession planning ( $r = 0.59, p < 0.05$ ) and leaning & motivating and compensation ( $r = 0.44, p < 0.05$ ), leaning & motivating career development ( $r = 0.72, p < 0.05$ ), leaning & motivating and succession planning ( $r = 0.70, p < 0.05$ ) and compensation and career development ( $r = 0.44, p < 0.05$ ), compensation and succession planning ( $r = 0.24, p < 0.05$ ) and career development and succession planning ( $r = 0.44, p < 0.05$ ). The result of the confirmatory factor analysis of alternative models is displayed in Table 3.

## 9. Multiple Linear Regression

In order to test hypothesis 1, we performed a regression analysis. In the regression analysis technique, we have regressed six talent management practices on organizational performance.

## 10. Structural Model Fit Estimation

Figure 2 indicates the standardized path regression coefficients and the relationship between unobserved and observed variables with respect to the path diagram. Structural model Fit Indices:

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 above table where the obtained Model fit indices are compared with the recommended value. 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 2.776 which is less than the acceptable limit 3. The obtained p-value is 0.00 which is less than the recommended value. The obtained GFI value is 1.000 which is above the recommended value of 0.9. The obtained AGFI value is 0.916 which is above the recommended value of 0.8. The obtained NFI value is 1.000 which is greater than the recommended value of 0.90. The obtained CFI value is 1.000 which is greater than the recommended value of 0.90. The obtained RMSEA value is 0.018 which is lesser than the recommended value of 0.08. The obtained P-close value is 0.000 which is lesser 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 24 parameters have met all the other recommended value to verify fitness of the Model. Hence we can conclude that the Model is perfectly fit.

**Ho1: There is no significant relationship between attributes of talent management practices on organizational performance.**

## 11. Discussion

- The probability of getting a critical ratio as large as 1.864 in absolute value is .000. In other words, the regression weight for Talent Acquisition & Retention in the prediction of Organizational Performance is significantly different from zero at the 0.05 level (two-tailed).

- The probability of getting a critical ratio as large as 2.887 in absolute value is .004. In other words, the regression weight for Performance Management in the prediction of Organizational Performance is significantly different from zero at the 0.01 level (two-tailed).
- The probability of getting a critical ratio as large as 1.972 in absolute value is .049. In other words, the regression weight for Learning & Motivating in the prediction of Organizational Performance is significantly different from zero at the 0.05 level (two-tailed).
- The probability of getting a critical ratio as large as 4.373 in absolute value is less than 0.001. In other words, the regression weight for Compensation in the prediction of Organizational Performance is significantly different from zero at the 0.01 level (two-tailed).
- Organizational Performance is significantly different from zero at the 0.001 level (two-tailed).
- The probability of getting a critical ratio as large as 3.403 in absolute value is less than 0.001. In other words, the regression weight for Career Development in the prediction of Organizational Performance is significantly different from zero at the 0.001 level (two-tailed).
- The probability of getting a critical ratio as large as 1.373 in absolute value is .000. In other words, the regression weight for Succession Planning in the prediction of Organizational Performance is significantly different from zero at the 0.01 level (two-tailed).

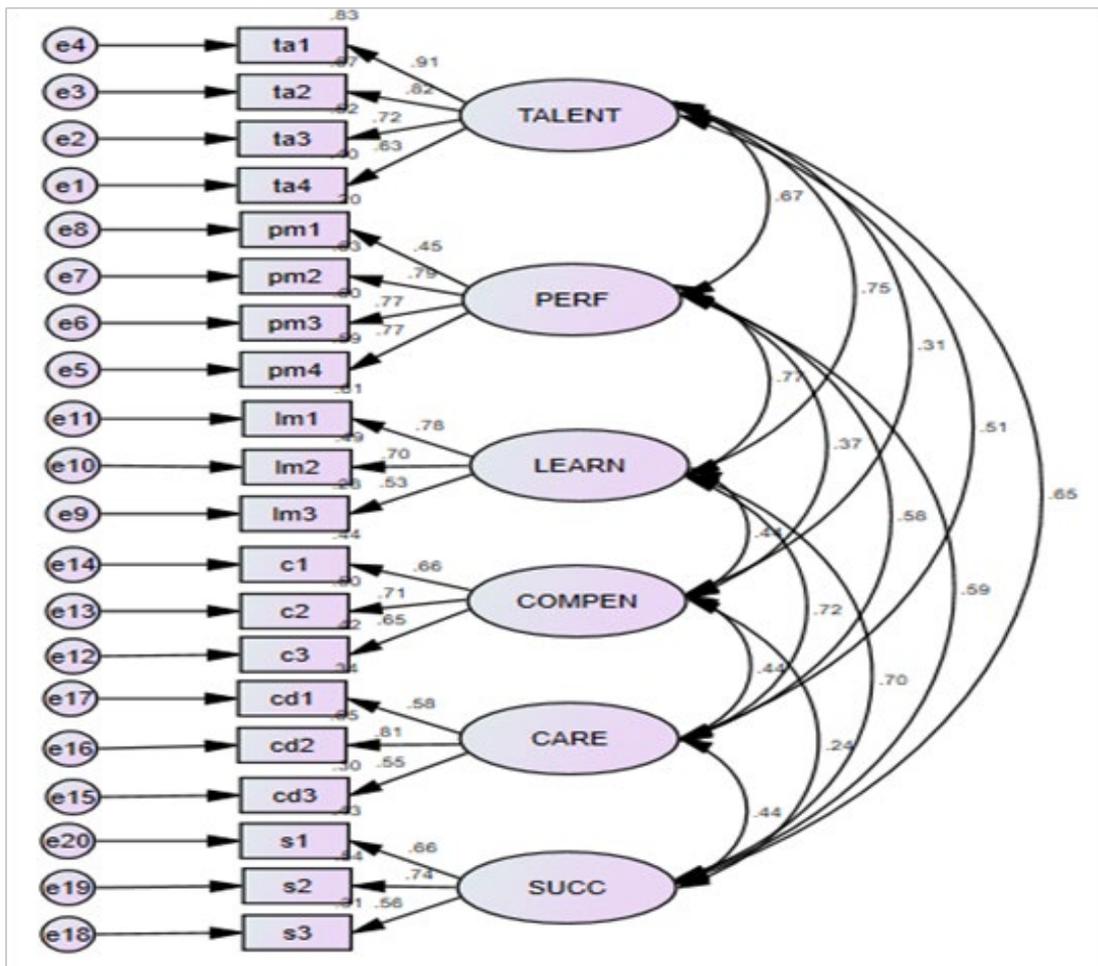
**Table: 1. Case Processing Summary**

		N	%
Cases	Valid	286	100.0
	Excluded <sup>a</sup>	0	.0
	Total	286	100.0

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

**Table: 2. Reliability Statistics**

Cronbach's Alpha	N of Items
.909	24



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

Table 3. Confirmatory Factor Analysis of Alternative Models

Model	$\chi^2$	Df	$\chi^2/Df$	TLI	CFI	RMSEA
Six-Factor Model	472.274	155	3.046	.833	.864	.085

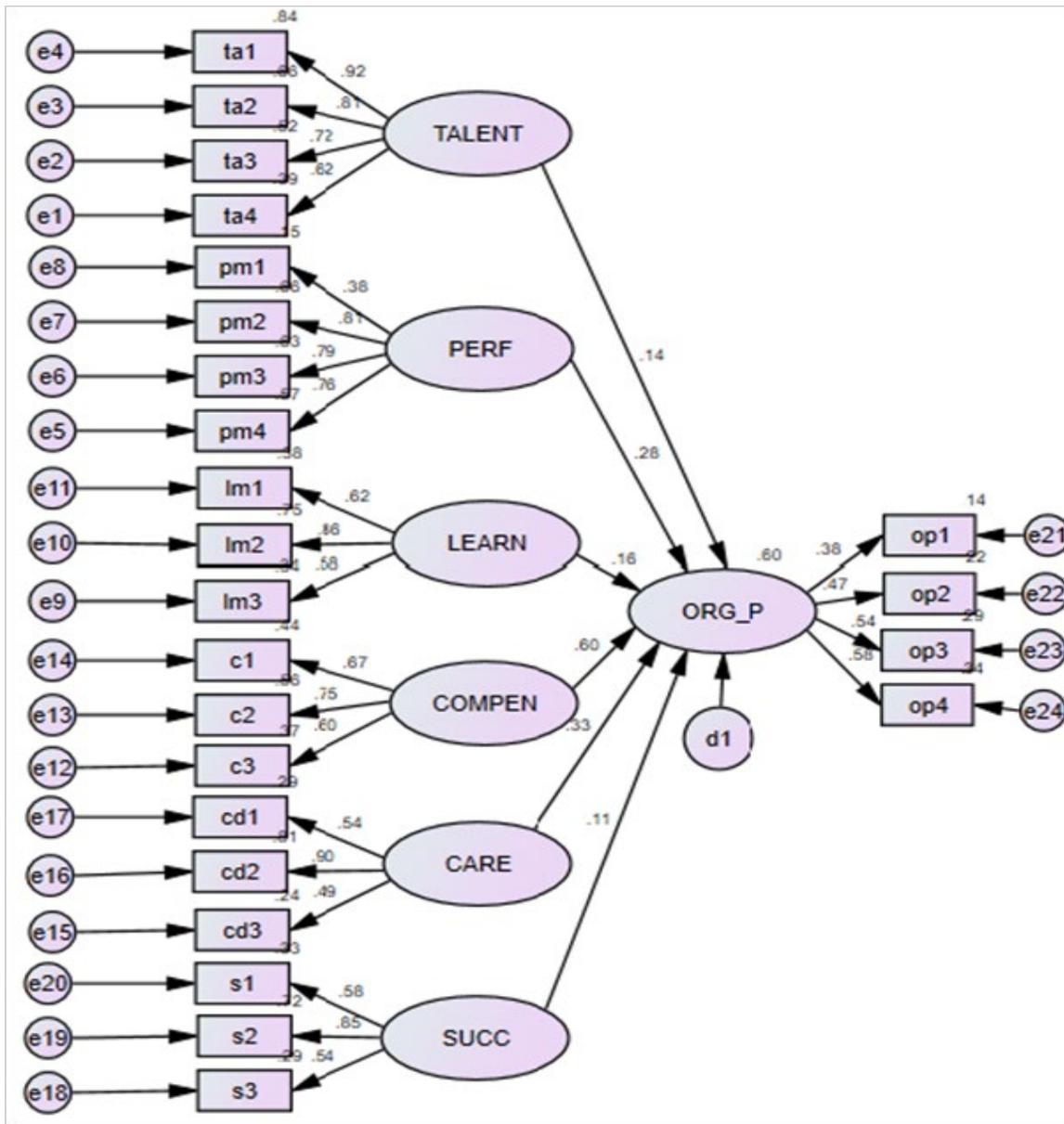


Figure: 2. A Structural Equation Model Showing Impact of Talent Management Practices on Organizational Performance.

**Table: 4. Structural Model Fit Estimation**

Indices	Recommended Value	Model Fit Indices
CMIN/Df	< 3	4.776
p-value	≥ 0.05	.000
GFI	≥ 0.90	1.000
AGFI	≥ 0.80	.916
NFI	≥ 0.90	1.000
CFI	≥ 0.90	1.000
RMSEA	≤ 0.08	.018
P Close	≥ 0.05	0.000

**Table: 5. Regression Coefficients of attributes of talent management practices on organizational performance**

Dependent Variable		Independent Variables	Estimate	S.E.	C.R.	P
Organizational Performance	<---	Talent Acquisition & Retention	.058	.031	1.864	.000
Organizational Performance	<---	Performance Management	.276	.095	2.887	.004
Organizational Performance	<---	Learning & Motivating	.095	.048	1.972	.049
Organizational Performance	<---	Compensation	.372	.085	4.373	.000
Organizational Performance	<---	Career Development	.230	.068	3.403	.000
Organizational Performance	<---	Succession Planning	.071	.052	1.373	.000

**Implication**

The study found that talent acquisition & retention, performance management, learning & motivating, compensation, career development and succession planning are impacting significantly the organizational performance. Therefore, Cement companies should focus on the above factors to provide better talent management practices.

**Conclusion**

Talent management, through a relatively new concept, is extremely important in today's world. Within the cement sector, as elaborated, Talent Management plays an extremely crucial role in the achievement of the entire organizational performances, by ensuring that the HR objects, functions and processes are in line with the overall organization's performance. Being a people-oriented business and in truth, dealing with talent of the employees, cement companies must give great priority to Talent Management Practices to ensure that performance levels of their organization peak and remain at the high position throughout. Though talent management may cause some resistance and the initial shift from HR to an integrated Talent Management practices may be difficult in the long run, this will be more profitable not only for the organization, but also for individual stakeholders and employee as well. From the study we can recommend that each company can/may try a set of combination of

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