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Deepika Pandita, Sampurna Ray,

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Talent management and employee engagement – a meta-analysis of their impact on talent retention

Deepika Pandita and Sampurna Ray

Abstract

Purpose – *The purpose of this paper is to enhance the readers' understanding of the domain of talent management and employee engagement, and how the former culminates in the latter, specifically as a tool for retention of employees. The paper also attempts to probe and aid readers in understanding of the domain of talent management and employee engagement, specifically as a tool for retention of employees.*

Design/methodology/approach – *The paper is based on secondary research in the areas of talent management practices, employee engagement and talent retention. The authors have reviewed the existing body of work on these topics in order to arrive at an analysis of the practice of talent management and employee engagement and to successively measure its impact on the retention of employees. In order to aid the endeavor to bring some clarity to and explore the trends in talent management, the authors have based this paper on a systematic review of the existing literature which seeks to examine the modern thought process and evidence. Current examples are drawn from many leading companies and their practices are emphasized for better understanding. Various drivers responsible for engaging and retaining talent are studied by reviewing the existing literature. After analyzing the existing literature, the authors have arrived at talent retention and engagement practices that may aid and assist industry practitioners and policy makers in designing and implementing successful talent management initiatives. The authors have proposed a model for arriving at improved retention from talent management practices.*

Findings – *One of the most effective tools in ensuring that employees stay engaged and committed to their work is talent management. This sense of engagement or commitment toward their work ensures in turn that these employees stay with the organization in the long run. As the authors have begun analyzing the costs associated with recruitment, selection and the opportunity cost related to attrition, organizations have been concentrating their talent management efforts in the direction of retention. The paper concludes that a synchronization of talent management practices and employee engagement initiatives leads to improved talent retention and proposes a model to this end.*

Research limitations/implications – *Owing to the fact that the paper is conceptual, the model and hypotheses the authors arrive at must be empirically tested by relevant stakeholders in the organization, specifically the stakeholders specializing in the area of talent management, in order to add further weight to the literature.*

Practical implications – *Derived from an extensive study of current and impending talent management strategies, the findings may aid organizations and policy makers to develop and refine talent management practices in order to engage human capital, with the ulterior aim of talent retention – a concern that plagues most contemporary organizations.*

Originality/value – *Preempting or preventing attrition is a priority in several organizations, and more often, in some industries as a whole. The authors examine how talent management practices can contribute to the efforts in preempting or preventing attrition in organizations. Adding to the existing literature on talent management, the paper explores the areas of talent management which directly affect employee engagement and in turn make a difference in talent retention. This link connecting talent management practices with retention deserves a greater amount of investigation, which the paper explores.*

Keywords Development, Talent management, Attrition, Performance, Employee engagement, Retention

Paper type Conceptual paper

Deepika Pandita is an Assistant Professor at the Department of Human Resource, Symbiosis Institute of Business Management, Symbiosis International University, Pune, India.
Sampurna Ray is a Student at Symbiosis Institute of Business Management, Symbiosis International University, Pune, India.

Introduction

Human capital has been established as the most important asset for any organization. It is widely accepted that in the long run, the organization with the best people wins. Proportionate to this observation is the fact that the most pressing concerns of business leaders are those about their people/human capital.

With an increased connectivity and globalization, organizations are more connected than ever before, giving us a need for international human resource management. The economies of the world are getting more intimately connected with each other with every passing second, and so are the people, coming together as a demographic cohort. This calls for strategies to manage talent globally and in a uniform manner, further prompting worldwide talent management practices as opposed to local ones. These aforementioned practices include standardized talent attraction, development as well as retention practices.

The practices we are talking about, however, not only arm organizations simply in the war for talent, but also serve as tools for organizations to gain competitive advantage and financially valued outcomes through talent management practices. An estimated 43 percent of senior leadership (such as global CEOs, CFOs and HR directors) maintains that inadequate management of human capital has inhibited their organization's growth and impaired their ability to meet their financial goals. A 2013 Gallop study on talent pipeline against growth surveyed 313 professionals, 40 percent of whom mentioned proper talent management as a factor critical to their ability to innovate and ideate at the workplace.

The "war for talent" that we mention in the previous paragraph brought about a renewed and increased focus on the field/domain of talent management, both in academia and in the industry. This, in turn, created a deluge of literature and studies on talent acquisition, development, shortages, retention, metrics for gauging talent, and organizational tactics for talent management. Noteworthy here is the fact that the rise of talent management as an area of research was not restricted to a particular kind of economy, but was, true to its global spirit at present, spread across all kinds of economies. Organizations have realized that there is an impending need to attract, develop, retain and reward employees globally in a competitive environment such as ours, and efforts are being focused in that direction. The present study makes a case for talent management as a retention tool.

Review of existing body of work on talent management

When defining talent management, for the purpose of our study, we use a statement relevant to the global context. It may be called a practice in human resource management, which aims to balance the multi-directional forces of labor markets, employee needs and economic concerns (Mellahi and Collings, 2010). Talent management can be broadly said to be composed of five consecutive steps. Forman (2005) states that the process of talent management is cyclical, as opposed to being linear. We develop on this idea further in our proposed model, establishing that not only is talent management cyclical, it starts another cycle of improved employee engagement, leading to low attrition for the organization. Coming back to talent management, the stages involved in it are: talent planning, talent acquisition, talent development, talent deployment, talent retention and talent evaluation.

At all of the stages or steps mentioned above, there is one single aspect that unifies these strands, and that is the organizational culture. The culture of the organization defines its processes, tactics and management mantras. If this is true, then talent management ceases to become a process set in stone and begins to transform into a fluid strategy, curated to suit an organization's culture, mission statement and values.

When speaking of talent, we also use the term "talent pool." A significant amount of the efforts in talent management goes toward managing the talent pool and developing career trajectories of top talent in the firm. This may involve career path planning, setting up pipelines for succession, development programs, and a whole host of other implementable strategies for the high potential and/or high performing employees, as the organization sees fit (Cappelli, 2009).

The high potential employees we would ideally wish to develop and groom could be identified at opportune moments by their superior motivation and sense of purpose (Smyth and Edkins, 2007). When dedicated and competent employees such as these are focused on the organization reaps the benefits of their elevated performance. Ensuring that the employees who require adequate attention at any given time are given their dues fosters an emotional bond between the organization and the talent. When push comes to shove, these emotional bonds guarantee that employees do not jump ship (Hewitt, 2011). A study, though dated, established that there is a positive association between an employee's engagement and the psychological impact their organization had on them (Kahn, 1990). When employees find coherence in their work and a sense of assurance from their employers, they tend to be more engaged at their workplace, indicating that focusing on the simple things has become imperative at present. This sense of safety can be provided to employees by forging deep emotional and intellectual bonds with an employee, guaranteeing citizenship behavior and retention in return (Gibbons, 2006).

In strategic management, we are aware of the tenets of VRIO business analysis framework that dictates how something can be a source of competitive advantage for a firm, by being of value, rare, inimitable and leveraged uniquely by an organization. Employee engagement is a good tool to help every organization to strive to gain competitive advantage over the others, because, as we established earlier, human capital is a firm's most valuable asset. Hence, developing and nurturing this asset makes logical sense for organizations. To drive this point further home, we may look to existing literature and see that engaged employees have been seen to lend perceptions of more "vigor" to an organization (Baumruk, 2004). This is perhaps owing to the fact that engaged employees were perceived as more deeply involved in their work and enthusiastic about it. With the advent of the millennial and now, the Gen Z workforce, this level of enthusiasm must be channeled into the digital workplace connected online as well. Talent management must therefore adapt to the changing nature of our workforce as well as communication media (Bhattacharya and Mukherjee, 2009).

It is crucial to note here that the practice of talent management is not another checkbox to be ticked for the organization. One must not forget that the six stages mentioned previously are simply the means to an end, which is generating outcomes valuable to the business. Developing and retaining employees are not the endgame. The endgame is achieving superior business results and competitive advantage through improved talent management practices. One must not lose sight of the actual target and hence, not all talent management practices are implementable in the organizational context, and all costs incurred toward talent management must be justified.

The challenges associated with talent management have been studied in depth and in fact, are faced every day by HR professionals in organizations across the world. These studies hold the dynamic nature of business and the economy responsible for the challenges faced in managing talent effectively (Iles *et al.*, 2010). In studying talent management, we come across a gap in the art of talent management studied by academicians and that practiced by organizations. This demonstrates a disparity we must delve into (Cappelli and Keller, 2014). The disparity may be explained in the following ways: first, the arena of management of talent leaves a lot to be desired in terms of a reliable theoretical foundation. It is more art than scientific management. For instance, a consensus on the definition of talent management is hard to come by, making it open to interpretations and subject to influences such as culture. When academically exploring talent management, researchers broaden the concept to include career path management and long-term organizational strategy. However, in practice, talent management has been accused of being a management fad and simply a part of the firm's overall strategy (Dries, 2013). Second, talent management, resplendent with models and frameworks, lacks empirical evidence. Evidence in this regard has contradictory evidence, making talent management challenging to study and implement. Empirical studies, as and when they are published, are largely disregarded for the gap between theory and practice when it comes to talent management (Gallardo-Gallardo *et al.*, 2015), stating a need for more rigorous research methodology. Third, the current literature on talent management has largely disregarded the experiences and opinions of the employees, while approaching the subject from the organization's point of view, and more specifically, a manager's standpoint

(Thunnissen *et al.*, 2013). In a majority of existing research studies, the design focuses on HR professionals and managers as respondents and the targeted research population (Stahl *et al.*, 2012). Fourth, the contemporary literature on talent management is narrowly focused on the western economies and businesses, which, to be fair to them, is relevant in their context and for their businesses. However, for the economies where the organizations have vastly different cultural indices/markers, there is a dearth of research and evidence (Scullion and Collings, 2011). A mere extrapolation of the results from the Anglo-Saxon context might not serve our purpose when attempting to make a positive and significant difference in how organizations practice talent management in other parts of the world (Thunnissen *et al.*, 2013).

Thus, we notice that though talent management is a widely accepted concept and is practiced in most modern organizations, there needs to be more qualifiers to specify the effect of talent management practices on an organization and what exactly can be expected from implementing such practices. Thus, it falls upon the academicians studying talent management in depth to define a set of "best practices" when it comes to talent management initiatives (Macky and Boxall, 2007). Also, apart from best practices, the logical next step for such research is to study the effect that perceptions about talent management practices have on employees (more specifically on their performance and other variables) and how different are the actual and expected outcomes of talent management practices in organizations (Groves, 2011).

Among the existing definitions of talent management, we use one for our purpose here, while studying retention among employees. According to the definition, the objective of talent management is to ultimately nurture and maintain a talent pool of adequately skilled and engaged workforce (Lewis and Heckman, 2006). Now when it comes to the attraction and retention of talent in talent management, policies and programs such as "talent audits" are indispensable tools to ensure effective HR planning and availability of talent as and when required (Botha *et al.*, 2011). A talent audit benefits both the organization and its employees by not only developing the employees through continuous learning for the organization's benefit, but also enabling the employees to grow and move to more challenging roles. While conducting talent audits, pain points for talent management are highlighted, ringing alarm bells on time for retention of talent (McCartney and Garrow, 2007).

Needless to say, there are difficulties in designing and implementing talent management and associated initiatives, since not every employee is receptive to such efforts. Employers must know when and how to focus talent management efforts. Apart from the challenges faced in implementation, it is a challenging domain to study as well (Schuler *et al.*, 2011). This is partially owing to the fact that incumbents are not always forthcoming about their opinions and experiences. The other reason is that many organizations are yet to concede that ensuring employee well-being and engagement can help them achieve organizational goals better.

Talent management and retention

In the path to effective retention of key talent, talent management helps us with "role development," the essence of which is ensuring that job roles provide challenges, responsibility and autonomy to the employees, leaving them feeling a sense of connectedness with their role and the job. Managers play an important role in this regard, since they are called upon to provide the necessary encouragement to their direct reports. In light of the changing nature of the workforce and the routine or sedentary nature of some roles, organizations also need to focus on workplace flexibility and role flexibility, giving employees the space to modify their roles according to their proficiencies and interests.

A key term here, is "talent relationship management," which implies leveraging talent management practices to build a robust employee value proposition (EVP). The resulting EVP ensures that an excellent talent pool is attracted to the organization, and that the talent pool stays engaged and committed (Trost, 2014). Talent relationship management also encompasses performance management, which can be a strong tool for retention, by assessing employee performance and prompting action as and when required, so as to avoid unwanted attrition. A few other HR aspects/functions are intertwined with talent management and retention, serving

as influencers. We have incorporated these in our proposed model as well, as a part of enhancing the employees' experience with the organization. The following activities or initiatives are the benefits arising out of good talent management practices:

■ Performance management, through a process of feedback, both positive and negative, and also recognition when warranted (Otley, 1999) gives employees a scope for improvement and the motivation to continue performing.

■ Apart from performance management, total reward strategies are also tools in effective talent management, incentivizing desired behavior and demonstrating fairness and equity in all transactions. Metrics, such as compa ratio, assist in retention of employees, especially when faced with a competitive labor market (Jiang *et al.*, 2009). Employees who feel rewarded in a fair manner, whether financially or otherwise, for their work done, continue delivering results and feel satisfied with their jobs.

■ Learning and talent development programs keep employees' skills updated – employees' reskilled when necessary, required competencies provided, and incumbents prepared for larger roles, engaging them strongly (Brown *et al.*, 2005). Keeping the spirit of learning alive automatically improves the skills and capabilities of the employees, making them better at their jobs and enjoying it more. Apart from this, learning and development give an opportunity for personal growth of the employees as well.

■ Career management and planning, including succession planning and development plans for employees help track employees choices, potential and performance, enabling organizations to focus on employees and making employees feel cared for, while at the same time ensuring sustainability of talent in the organization (Greenhaus *et al.*, 2009). These initiatives are welcomed by employees looking up to the organization for a rise in their career.

Thus, talent management is intricately tied with other aspects of human capital management, and must be paid close attention to, while engaging in workforce planning and business development. All of the aforementioned functions aid in talent retention, by nurturing talent, and strategically attracting and maintaining the talent pool. Figure 1 shows talent management strategies by broadly segregating them into two groups – focused on talent attraction and on talent retentions.

Talent attraction strategies and EVP

When planning a firm's talent attraction strategies, the primary intent must be to become an employer of choice and a great place to work at. Only then will the talent attraction strategy hence devised be successful in attracting an employee who will add value to the firm and drive its success through their contribution (Swailes, 2016). The employer branding that we aim for, while

Figure 1 Strategy for talent management

Source: Collings and Mellahi (2009)
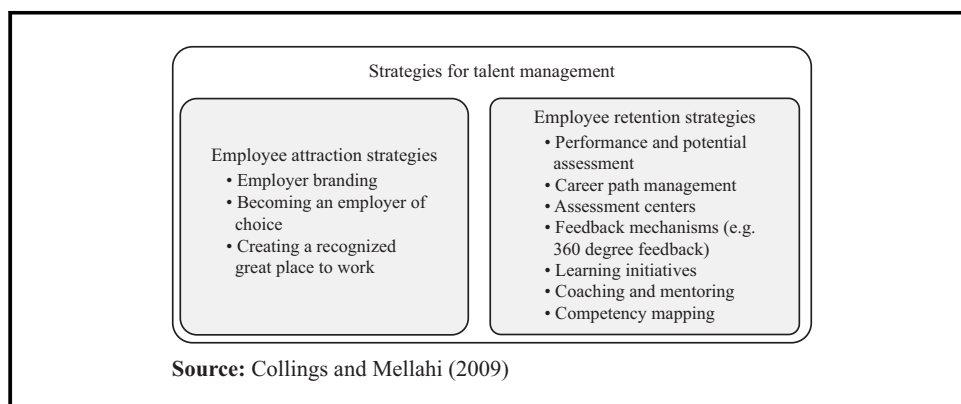
planning a talent attraction strategy, must be curated carefully, since employer perceptions heavily influence the kind of talent we attract and how they fit our firm's culture.

Linked here is the concept of employer branding and of EVP. The intent is to create a brand image that resonates with the talent we wish to attract, and hence retain. The organization's reputation and the value proposition it offers to prospective employees play an important role. A value proposition here implies a sum of all tangible and non-tangible benefits that a prospective employee stands to gain from joining the organization, which includes learning, growth, social interactions, workplace climate conducive to good performance, an excellent employer image, etc. A conscientious image as a business and transparent interactions with customers helps attract and retain talent better. This includes being recognized for reaching goals, staying true to values, delivering quality products and services, behaving ethically and giving employees all the hygiene factors for employment. When organizations project an image such as this, employees are automatically attracted to them (Edwards, 2009). Following are some of the constituents of an appealing EVP for prospective recruits: the quality of work at the organization. Interesting and internally rewarding tasks make an appealing case and contribute toward the EVP. Opportunities to learn and grow on the job and beyond are lucrative to prospective employees who are seeking to develop themselves and their capabilities (McCauley and Wakefield, 2006). Opportunities for development and career path progression are promises to reward excellent performance, and again act as good value proposition (Tymon *et al.*, 2010). This includes a talent pipeline and succession planning. Job security within reason ensures that prospective employees have their baser needs met. For many, job security is a hygiene factor (as is suggested by Maslow's hierarchy of needs). A chance to enhance future employability, either through learning and development, or through experiences on the job. In this case, the reputation of the organization as a "learning organization" helps (Sokro, 2012). Added advantage for knowledge workers is sometimes an implicit part of the EVP, rewarding employees in return for the work they deliver at a premium. A fair, competitive and equitable reward system which recognizes the value of employee contributions makes the EVP more attractive. An opportunity to have meaningful social interactions and form networks at the workplace that last beyond the current place of employment also makes for a stronger EVP (Powell, 2009). A healthy workplace environment, conducive to learning, performing and socializing is also an important part of the EVP.

All of the above mentioned features accumulate to form a lucrative employee value proposition, which in turn serves as means to attract and retain high potential and/or high performance employees (Botha *et al.*, 2011). The reason why we are focusing on attracting the right talent in the first place is because it is the first step to acquiring the talent we need, only after which we think about retaining them. Once the desired talent decided to join our organization, we attempt to induce in them, a desire to stay on. This is where effective talent management comes in, ensuring that the employees' needs and expectations are met, and a fair exchange value is provided to the employee so that a sense of inequity does not set in (Backhaus and Tikoo, 2004). The first step of talent attraction involves ensuring an array of factors, such as effective senior leadership, employee well-being, professional growth and learning, fair and competitive compensation, job security, etc (Berthon *et al.*, 2005).

Talent retention strategies

In the direction of retaining key talent, organizations must attempt to carefully match the organization's needs and expectations with those of the employee's. Any disparity in this regard only serves to exacerbate the culture clashes that are impending in situations such as this. Hence, it is advisable to begin with an assessment of culture on both ends (Nyambegera *et al.*, 2001). Employing analytics in this direction is useful for discerning the common characteristics of the most successful employees and of the ones who left the organization owing to a misfit of culture. Once a set of common characters or features of the more successful recruitment decisions is arrived at, it may be used to recruit similar talent going ahead. Variables that feature here include various behaviors, attitudes, skills and preferences (Davenport *et al.*, 2010).

The reason why we are focused on retention is because organizations have realized the huge opportunity costs and recruitment costs associated with talent leaving an organization. When key

employees leave an organization, it has a negative impact not only on the morale of the employees who stayed behind, but also on the revenues the organization was bringing in (Vigoda, 2000). With organization network analysis, we have realized the importance of key communicators and networkers who, when leaving organizations, take with them the advantage their presence rendered for collaboration and communication in the organization.

Retention is something organizations need to be proactive about; preempting attrition is desirable. However, there are always certain factors and variables which are beyond an organization's control, such as the labor market or the economy. Nevertheless, it is intuitive that focusing on retaining existing talent must be on an organization's agenda, or they run the risk of losing valuable human capital by undervaluing them (Festing and Schäfer, 2014).

Just as with all other employee decisions, the target group must be looked at, while implementing retention strategies (Festing and Schäfer, 2014). When implementing retention tactics, we must take heed of demographic and other variables affecting the decision to stay on or quit an organization. For early career employees, progression, challenging work, and career advancement are priorities. For mid-career employees, workplace flexibility, the ability to customize their roles and deriving a sense satisfaction from their work are priorities. Employees later in their career look out for higher job security, benefits and a reciprocal loyalty from their organizations (Pandita and Bedarkar, 2015).

Retention of a younger workforce does prove more difficult as compared to other demographics, owing to the proclivity to change jobs and employers more frequently than a relatively older workforce with entirely different set of priorities (Thompson and Gregory, 2012). How we choose to divide the composition of our workforce between part time, full time, remote and other workers also has an impact on the overall stability of the workforce. To list out the factors that affect retention, we have can look at the parity between the job description and the actual expectations of the role (Festing and Schäfer, 2014). More often than not, attrition can be attributed to the underlying cause of a mismatch of expectations caused by an inadequately defined job description, the employer's image, performance and future prospects. How effective the recruitment and selection processes were in terms of selecting the right applicants for the job. To this end, assessment centers may be useful not only for individual development but also for the purposes of selection (Edenborough, 2005). Coherence in the deployment of the talent and the job person match is vital for mapping employee competencies for specified jobs. A faith-inducing leadership that employees would choose to follow. This also includes effective coaching, mentoring and guidance. Learning and development opportunities available to the employees. Regular and proportionate recognition and reward for employee performance, preceded by timely feedback and assessment (Maltarich et al., 2010). Challenging work and achievement opportunities is also just as it is with talent attraction strategies, retention strategies too must take into account the issues (if any) the organization is facing in retaining talent and curates a course that suits the organization's culture and context (Sheridan, 1992).

Sometimes, attrition is outside the control of organizations and is heavily influenced by labor market conditions or the economy of the country, etc. In light of this revelation, it is time to redefine the conventionally accepted goals of human resource management (that of minimizing employee turnover among others) and replace it with a new, perhaps aspirational, target of being able to influence who leaves the organization and when (Den Van Berg et al., 1994).

Talent management and human resource management

Though the terms human resource and human capital are often used interchangeably, there is a slight distinction between the two terms. HR professionals are moving away from the term human capital, and valuing humans for the value of human talent as opposed to treating them as capital resources (Armstrong and Taylor, 2014). At first glance, the issue may seem to be of semantics. However, this shift indicates a fundamental change in the way organizations view its employees and prospective employees. It also influences all their interactions with people, ranging from employing, developing, aligning, evaluating, and of course, retaining employees. In fact, this paradigm shift indicates that HR as a function is changing the way in which it defines its mission and evaluates its successes (Blackburn and Rosen, 1993).

The aim of talent management programs, as we mentioned earlier, is to drive results valued by the stakeholders. In this direction, talent management helps to optimize the performance of the human resources at organizations. As demographics in countries are ever-changing, several developed economies are facing a dearth of young employees entering the workforce to take up vacancies created by retiring employees (Calo, 2008). This has created an economic imbalance, and an imbalance in the employment contract, such that employees can now choose between multiple employers based on factors critical to them, in order to arrive at their desired place of work. The factors may include any attribute of employment, be it policies or pay or environmental factors. These factors, of course, change with time, place and economic conditions, and human resource management needs to adapt (Rappaport *et al.*, 2003).

As we mentioned earlier, talent management has been regarded by many academicians as a management fad. However, talent management looks like it is here to stay, giving HR professionals and organizations a way in which they can manipulate labor market dynamics for themselves. Perhaps talent management began as an attempt at (Carrington, 2004) moving the focus of HRM away from thinking of people as capital resources, toward the notion of employees being individuals who must be treated fairly, valued and appreciated for who they are. This change in notion is also accompanied by a change in the stance of HRM, away from authority and control and in the direction of a sense of shared accomplishment (Casse, 1994). Evidence of this can be seen where HR has expanded its activities and shed its conventional skin to engage in unconventional activities.

Now that we have established that HR as a function has a major role to play in organization strategy, we must also acknowledge the fact that it is not always the case. In several organizations, HR fails to establish itself as a business partner. In such scenarios, pursuing talent management as an active agenda becomes difficult for lack of senior management support and vision (Farley, 2005). The credibility required, to fulfill the mandate of effective talent management, has to be earned over the course of time, through demonstrating business cases and return on investment in talent management practices. Basing decisions on strong analytical conclusions and using data to establish the efficacy of talent management can be helpful in scenarios where senior management or in general, stakeholder buy-in is missing (Festing and Schäfer, 2014).

One way to ensure effective talent management is to achieve process excellence in talent management, moving away from the individual, to the consolidated, linking business strategies with people strategies. This is an organization-specific link, wherein every organization has an ideal effective process of talent management, depending on the strategies of the organization and its people. The most impactful talent management practices, hence, are subject to the organizational context, as opposed to a cookie cutter approach to talent management (Gratton *et al.*, 1999). Firms have been seen to respond more positively to subjective and specific talent management practices, as opposed to a one size fits all approach. With this, we must come to terms with the reality that, the HR practices at one organization may entirely fail to create any value in another organization (Heinen and O'Neill, 2004). Following are some vital employee associated activities that have been found to be challenging to talent management practitioners: Attracting and retaining talent at all levels to quench current as well as prospective needs of the organization. Creating a value scheme that appeals to a multi-generational workforce such as the one we are working with at present. Developing a reliable leadership pipeline for all key positions in the organization. Preparing employees for employment in the global workplace rid of unconscious biases and open to collaboration. Transferring key organizational knowledge, technical know-how, relationships and the informal organizational network to new workers as older workers leave the workforce (Calo, 2008).

Overcoming the aforementioned challenges in talent management is not possible overnight, though we wish it were. This is owing to the fact that a talent gap/shortage has arisen due to fast and dynamic global demographic, economic, social and strategic trends. Bridging this gap or shortage in the supply of and demand for talent is not possible through existing standard HR approaches. This is where talent management comes in (Piansoongnern and Anurit, 2010). However, one must be aware of the pitfalls of focusing singularly on talent management and cannibalizing HR, wherein successful and indispensable HR practices tend to be discontinued or ignored.

Employee engagement

Now speaking of desirable outcomes of effective talent management practices, we have employee engagement as the primary outcome we want. An engaged workforce ensures lower turnover and a greater ease in attracting talent, building a knowledge base and gaining competitive advantage (Albrecht *et al.*, 2015). However, employee engagement is not the only outcome we look out for. It is one in a number of desirable outcomes we seek out at the workplace. In the words of Kahn (1990), employee engagement implied three intertwined conditions – meaningfulness of work, social and organizational security, and availability of variety and distractions so as to make the work enriching.

Among the numerous advantages of employee engagement, we have effective talent deployment and harnessing. Engaged employees tend to be more committed to the organization and its goals, and prompts improved employee performance, focused efforts and better outcomes. Employee engagement translates to innovation, enthusiasm at the workplace, productivity, citizenship behavior, and better outcomes in general (Pandita and Bedarkar, 2015). As we specified earlier, and the connection our paper explores, employee engagement leads to fewer instances of attrition and absenteeism (Swathi, 2014). This observed behavior arises out of the fact that engaged employees are interested in performing their jobs. These employees demonstrate a common belief/perception that their work influences the organization's outcomes and performance. Their belief, which is instrumental here, is that the way in which they conduct themselves and do business creates value for the organization (Albrecht *et al.*, 2015).

Senior management buy-in is critical at this juncture. To drive employee engagement home, it is important to demonstrate to senior management how disengaged employees can adversely affect their organization (Farndale *et al.*, 2010). The most important distinction between engaged and disengaged employees is in the way they perceive their jobs. While disengaged employees look at their jobs as trading time for compensation, doing the minimum required to mark their work as completed, engaged employees go above and beyond the line of duty to ensure quality results. While disengaged employees hardly exhibit zeal or innovation at the workplace, simply going through the motions of completing their tasks, engaged employees passionately take up their roles, often contributing toward process improvements (Seijts and Crim, 2006). On one hand, disengaged employees are the most unlikely to forge long-term associations with their organizations, engaged employee stay connected even when the leave the organization and perceive this professional relationship as meaningful and equitable. What is even more alarming about disengaged employees is that they affect the perceptions and morale of otherwise engaged employees around them, propagating dissatisfaction and dissent. This is why, even though at first sight, the percentage of actively disengaged employees seems unimportant, the impact they have on the rest of the workforce can sometimes be extremely disproportionate, having a detrimental effect on the positive contributions of the other employees (Seijts and Crim, 2006).

A 2006 Gallup survey on employee engagement attempted to attach dollar figures to the costs an organization incurs owing to actively disengaged employees, decreasing productivity and performance due to low contributions as compared to their potential and talent, giving the organization often negative and sometimes no returns. The same study indicated that engaged employees inspire innovative ideas and are the most likely to themselves contribute to building ideas and to implement them. The survey stratified levels of employee engagement as follows and clarified that there are certain overlaps in terms of behavior on the continuum: engaged employees, disengaged employees and actively disengaged employees.

Apart from the obvious advantages in terms of productivity and profitability, engaged employees also form lasting relationship with customers than less engaged employees (Salanova *et al.*, 2005). The differences between these groups of employees do not end here. Engaged employees also make added efforts in understanding their job and its significance in the grander scheme of things. They actively seek know-how and awareness about how they can perform their jobs more efficiently. Disengaged employees, on the other hand, have been seen to state that they do not have an understanding of how to meet their customer needs (Vivek *et al.*, 2012). Not surprisingly, almost engaged employees also recommend their company's products or

services actively, acting essentially as brand ambassadors, as opposed to very few disengaged employees demonstrating such behavior. Behavior such as this is quite instrumental in shaping employer perceptions and brand image (Hardaker and Fill, 2005).

Now that we have established that there is certainly a distinction between engaged and actively disengaged employees in terms of connectedness with the organization and their work, we must focus on how this affects retention efforts (Council, 2004). The question here is how we may use talent management in retaining engaged and disengaged employees, and more importantly, which employees to retain. According to a 2011 Aon Hewitt report, engaged employees are more involved in an organization or group. Whichever concept we decide to go by, we see that keeping the key talent engaged is a crucial to-do of talent management. Apart from the obvious engagement efforts focused on attributes of the actual work, engagement will lead to retention in the following ways: enabling employees, whether already engaged or disengaged. This entails providing them the required support, tools and know-how to perform their duties well (Stevens-Huffman, 2011), ensuring that employees stay connected to their work, feel empowered by the sense of accomplishment it gives them, and stay on. The second way is through ensuring employees have a healthy workplace environment, guaranteeing the employees' physical, social and emotional well-being. Invoking Maslow's hierarchy of needs here, we can say that if we ensure these hygiene requirements, employees will not be forced to seek the same elsewhere (Stevens-Huffman, 2011).

To delve further into the causality between talent management and retention through improved engagement, we must observe the environmental factors of a spur in business opportunities, higher foreign direct investments, more recruitment opportunities, and a war for talent in emerging economies such as India (Altzinger and Bellak, 1999). In India, for instance, there exist numerous research and development centers of IT firms which are perpetually looking for research talent and MNCs such as Microsoft, IBM, HP Labs, Accenture and Intel are competing with local firms in this war for talent. In competitive environments such as this, the firm that wins is the one with highest employee advocacy. A 2011 Aon Hewitt report indicates that employees prefer working for firms that provide them more growth and development opportunities, have a strong strategic alignment of all activities, which cater to employee needs based on employee segments, which have faith in the efficacy and importance of the human resource function, and have a thriving culture of regular reward and recognition.

Managers here play a vital role in keeping their direct reports engaged as well as in retaining them. It falls upon line managers to establish a lasting and meaningful relationship between their direct reports and the organization through themselves (Bratton, 2007). A climate of learning and inspiring positive interactions helps shape the attitudes and behavior of direct reports and individual contributors. Relationships of individuals with their teams can also trigger attrition, and hence, it falls upon line managers to ensure that teams function smoothly, without clashes arising out of inequity and discontent. Also important here is the role a line manager is often called upon to play, as a mentor or a coach to their direct reports. Gauging the potential of their direct report in time, providing them opportunities to grow, rewarding them in a fair and timely fashion, encouraging them to take charge of their career paths – all of these contribute in a positive way toward retaining employees (Alfes et al., 2013). Development plans crafted for employees with the help of their line managers goes a long way in preventing bad attrition, and has a huge bearing on the performance of the direct reports at the workplace. All of these contribute to keeping an employee engaged and having them stay on in the organization. If employees do not leave organizations, but leave their managers, why should the reverse not be applicable? Employees must then base decisions to stay on, on their relationship with their line managers and with the organization.

Findings

The productivity at a workplace is not only a function of employee satisfaction but also of employee engagement, which is brought about by the right talent management practices. We have studied the conditions of employee engagement, which organizations bring about through an increased focus on the people, their development and continuous learning.

This brings about desirable behavior and attitude from the people, such as eagerness to learn, awareness about the purpose of their work, increased organizational commitment and citizenship behavior. These behaviors and attitudes among employees demonstrate a bond with the organization, and ensure that an employee continues to work for the organization, while delivering good performance, thus guaranteeing talent retention.

Proposed model

Following is a diagrammatic representation of our findings and conclusion, connecting talent management practices to employee engagement and further to employee retention.

Our proposed "4E" framework is based on the knowledge that the relationship between talent management and retention is not a linear but a cyclical process, with positive returns in every step of the way. Following are the 4Es in the model, as shown in Figure 2:

1. EVP to attract talent: this is the initial step of attracting talent to the organization during the process of recruitment and selection, leading up to onboarding. A successful talent management initiative must start with a step in the right direction. A strong EVP includes fair workplace policies, interesting and challenging work, scope for learning and growth and a plethora of other offerings, subject to the kind of job, the organization and the industry.

2. Enhance employee capabilities and experience: the second step, following attraction of talent, is developing and nurturing them. Starting from an employee's first day at work, ensuring that they get opportunities to use and enhance their abilities goes a long way in making sure the employee's experience with the organization surpasses their expectations. A crucial subset of talent management is developing the talent, which in turn gives them a positive experience to latch on to.

3. Employee engagement: as a result of excellent talent management practices, we attract, develop and maintain a healthy talent pool. This is comprised of engaged employees who are involved in their work and are committed to the organization. Though there are challenges in reaching this stage (since there is no direct path paved from talent management to engagement), employee engagement can be reached through consistent and strategic efforts in this direction.

4. Enduring relationship: when an employee is engaged – committed to the organization's goals and involved in their work; and when the organization meets their needs and supports them in achieving their goals, employees are more likely to stay on in the organization and to continue to deliver excellence. The employees impacted tend not to leave the organization, and thus the organization is not adversely affected by opportunity cost and losses incurred due to attrition. This is the formation of an enduring relationship. This connectedness in turn, when applied to employees en masse, makes the organization an employer of choice and a great place to work at, strengthening the EVP in return.

Figure 2 Proposed 4E framework for improved talent retention
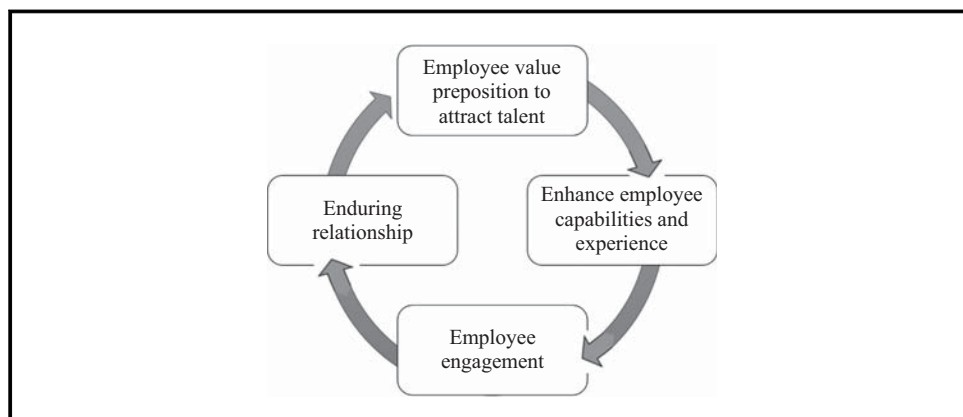
Conclusion

Employee engagement levels hence influence decisions of the employees to stay on in the organization or to leave for greener pastures. Thus, through employee engagement, organizations must attempt to nurture an association/relationship between the employer and employee, prompting intent to stay on owing to an overarching sense of connectedness. HR practitioners, by influencing talent management practices, can now influence who chooses to leave the organization and when, as opposed to their conventional stab in the dark of reducing turnover. Thus, retention of an employee and the challenge faced when engaging employees deal with how an employee perceives the entire work experience and the treatment they receive in the organization. Retention, at the end of the day, is a decision that can be influenced by employee emotions which can be affected positively by actions undertaken by the organization. We must note here that there will always be employees who are not receptive to engagement (and hence, retention) efforts by the organization. The organization must know which employees or groups of employees to target their retention efforts on. Thus, we conclude that beginning from good talent attraction and talent management practices, we get engaged employees, with whom employers/ organizations form an enduring relationship. This sense of connectedness makes the organization an employer of choice and a great place to work at, aiding in retention of existing employees and attracting prospective ones through a robust EVP.

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Corresponding author

Deepika Pandita can be contacted at: deepikapandita21@gmail.com

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