

Exploring the Impact of Employee Engagement on Talent Management Practice

Saloni Devi

*The Business School, University of Jammu, Jammu (J&K)–180006,
E-mail: saloneepadyar@gmail.com*

Abstract—Employee engagement and Talent management have received lots of attention of academics, practitioners, researchers, scholars and competitive firms in recent years, but there are many gaps left for further conceptual and empirical development. One of gap is lack of clarity of definition of both Employee engagement and Talent management and the ongoing debate about whether it is merely re-packaging of already existing HRM practices or a new concept. In this context, this paper concludes that Employee engagement and Talent management are distinct from the traditional HRM practices. The authors have consolidated the existing literature on Employee engagement and talent management. Further, present study is an attempt to explore the relationship between the two concepts and investigating the impact of Employee engagement on Talent management practices. Data were collected from the private bank employees in Jammu (J&K) and convenience sampling was used to collect the data. A 5 point Likert scale questionnaire, consisting of 32 items was designed. Hypotheses were tested by using structural equation modelling (SEM). The research findings revealed that Employee engagement have positive and significant impact on Talent management.

Keywords: Employee Engagement, Talent Management, Vigor, Dedication and Absorption.

1. INTRODUCTION

Business firms work hard to achieve sustainable competitive advantage, but there is still wide gap between the desired and actual success. If this gap arises due to the performance and management of employees, then effective practices (such as strategic HR management) must be undertaken to attain the desired success. Strategic management of engaged, talented and committed people, motivate other employees to exhibit their potential capabilities for the growth of the organization as a whole [4], which enables the organization to outperform the competitors. In this context, Employee engagement and talent management concepts have been extensively studied in management literature in the past fifteen years [14]. Both concepts have been an area of interest for both practitioners and academic researchers. Therefore, various studies have been conducted separately for each concept aiming to investigate their impact on organizational performance and competitive advantages which have been the main theme in literature [5]; Engaged and talented employees are seen as a

fuel for the engine of human capital management [11]. Further, this paper aims at bridging afore mentioned research gap by drawing integrated model of Employee engagement and talent management, which can be used by HR managers or practitioners for managing employees and for enhancing organizational reputation at both level (financial and non-financial). Present study framework allows author to extend the employee engagement theory in a new direction. The authors have advanced a conceptual model and after discussing the theoretical, economic and managerial contributions, researcher put forth the implications for each. The paper concludes with implications for future research.

2. REVIEW OF LITERATURE

Employee Engagement (EE)

Employee Engagement theory is deemed as one of the most influential theories of the management literature. It has been evolved from the concepts of job satisfaction, organizational commitment and organizational citizenship behaviour, but it is much broader than the concepts of 'commitment' and 'motivation' in the management literature. Employee engagement is generally seen as a two-way interaction between the employee and the organisation for which the organisation has the accountability to show the way. There are numerous unique characteristics of an 'engaged' workforce consist of loyalty, satisfaction and encouragement, a association with the organization's strategy, and the expression of discretionary effort on the part of the engaged employee. Also, engaged workers are full of life, are optimistically associated to their work and feel they are doing their jobs effectively [13]. It is a constant and broad affective-cognitive state. [16], view as a positive, fulfilling work-related state of mind that is characterized by vigor, dedication, and absorption. Vigor is characterized by high levels of energy, the willingness to invest energy in one's work. Dedication refers to being strongly involved in one's work and experiencing a sense of significance enthusiasm, and challenge. Absorption is characterized by being fully concentrated and happily engrossed in one's work whereby time passes quickly and one has difficulties with detaching oneself from work. In short,

engaged employees have high levels of energy and are enthusiastic about their work. Moreover, they are often fully immersed in their work so that time flies .

Talent Management(TM)

The term “talent management” as concluded by academicians, researchers and practitioners refers to the activities related to recruitment, selection, development and retention of employees. [14]concluded that despite the considerable debate over the last decade in academic literature, talent management is still in its infancy stage, which is too narrow and one-dimensional approach with limited practices and activities. It lacked a clear and consistent definition, rhetoric (language) and scope, which has been confirmed by [5] However,[6] concluded that TM has moved from infancy to adolescence stage, which is more balanced or pluralistic approach due to added (new) perspectives, such as stakeholder theory, multiple goals and an extended consideration of HR practices [7]Recently it has also been recognized in the form of different concepts, philosophies, and practices like HCM (Human Capital Management), HRIS (Human Resource Information Systems) or HRMS (Human Resources Management Systems) or HR Modules[3]

The foremost contribution by TM is the willingness of the system to analyze and bridge the gap between talent demand and talent supply by determining the weakness and strength of the employees and management as well as by the strategic flow of talent through an organization, which helps to connect individual goals to organizational goals and workforce strategies to business strategies [12] defined TM as a process, which includes a complete and interrelated set of organizational activities such as identifying, selecting, developing and retaining the best employees as well as building their potential for the most strategic positions, and assisting them in formulating the best use of strengths in order to gain their engagement and contribution, which ultimately contribute to organizational benefits [15]. These activities start with the identification of most suitable individuals and end with retaining them[17]. Hence, researcher conceptualize that talent management is a multidimensional process, which is more inclined towards talent management cycle of internal employee than the external one.

Employee Engagement and Talent Management

[10] argue that in addition to what talent management strategy is already contributing with effective recruitment, development and retention of employees, an organization should also contribute to employee engagement. In line with that, Gibbons (2006) identified the top drivers of employee engagement which culminated from 12 major research studies done by[9] These include:- trust and integrity – this when employees feel that the leaders of the organization listen, care and meet their needs, , is trustworthy, and ‘lead by example;- nature of the job – the level of people’s involvement and independence;- the link between employees and organizational

performance – the degree to which employees recognize the objectives of the organization, required level of performance, and what is expected of them;- career growth opportunities – the degree to which have the chance to progress in their career and get a promotion.- pride about the company – the level of self-esteem from obtained from their roles;- coworkers/team members – behavior and perceptions of team members towards their work and the organization;- employee development – how much effort and resources are allocated from the organization for the development of the employee’s competencies; and- people’s relationship with their leadership – the degree to which this relationship is valued.

Theoretical Framework and Hypothesis Development



FIG. 1: Above PROPOSED MODEL

HYP1: Employee Engagement positively leads to Talent management.

HYP1a: Vigor positively leads to Talent management.

HYP1b: Dedication positively leads to Talent management.

HYP1c: Absorption positively leads to Talent management.

Research Design and Methodology

This research is evaluative in nature. It evaluates relationship between Employee Engagement and Talent Management. Following steps have been undertaken to make this research objective more accurate:

Sample Design & Data Collection

The population for the study comprised 202 Private bank employees of Jammu city. All of these employees were contacted to generate research information. Data has been collected from multiple respondents to avoid the problem of common method variance. Questionnaire technique has been used for data collection.

Generation of Scale Items

All scales in the model were measured with multiple-items on five-point Likert-type scale, ranging from 1 (strongly disagree) to 5 (strongly agree). Seventeen statements of Employee Engagement and fifteen items of Talent management .

Measurement Validation

The study performed psychometric analyses to provide evidence of the reliability and validity of the constructs used in the study. The reliability and convergent validity of all the constructs are examined through composite reliability and

average variance extracted (AVE). All the constructs proved to be reliable as the value of composite reliabilities are above the threshold value of .70 (Table 1). Similarly, the calculated values of AVE are also good that is, above the usual benchmark of .50, which provides support for the existence of convergent validity of the measurement scales. Further, discriminant validity is also checked by comparing the square root of AVE with the correlation estimates. Discriminant validity is obtained when the square root of AVE is larger than correlation coefficients'. As table 1 shows that in all cases AVE is greater than correlation coefficient which means that discriminant validity exists for all the constructs . **Table 1 below**

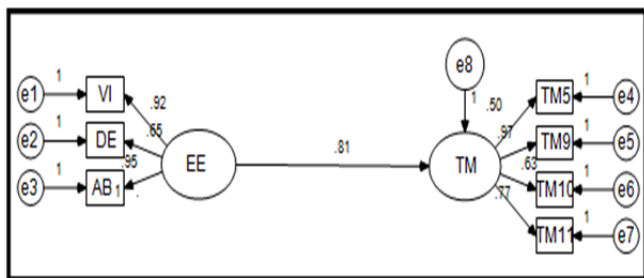
Table 1: Result of Scale- Level Reliability and Validity Assessment

Construct	Standardised loadings	Average Variance Extracted	Composite Reliability	Cronbach's alpha
Employee Engagement		0.770	0.982	0.792
Vigor	.982			
Dedication	.662			
Absorption	.581			
Talent Management		0.673	0.968	0.762
TM5	.510			
TM9	.840			
TM10	.801			
TM11	.542			

Impact of Employee Engagement on Talent Management

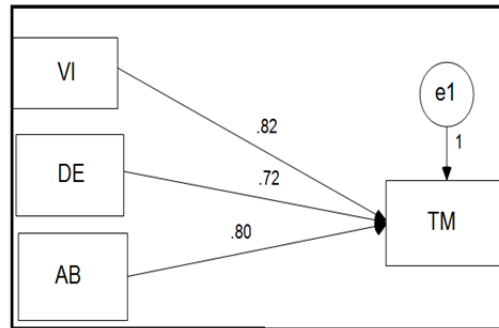
Structural Equation Modeling has been used to check various relations proposed, it is a multivariate technique that seeks to explain the relationship among multiple variables. In the present study, the relationship between Employee Engagement and Talent Management has been assessed. First we studied the impact of Employee Engagement (independent variable) on Talent management (dependent variable). The results revealed that Employee Engagement is significantly affecting Talent management. Hence the hypothesis H1 has also been accepted (SRW= .81, P< .001)

Fig.2 below



Another, model was also framed in which dimension-wise impact of Employee Engagement on Talent management were examined. Inspection of standardized weight revealed that the impact of vigor on Talent management is highest (0.82) followed by absorption on Talent management (.80), and Dedication on Talent management (0.72). Therefore, the result revealed that all the dimensions of Employee Engagement viz; Vigor, Dedication and Absorption significantly affecting Talent management.

FIG 3 below



3. DISCUSSION

This paper discusses about the impact of Employee engagement on Talent management. The proposed model in the study was tested in the employees of private banks with a structured questionnaire. Firstly, we tried to examine the impact of employee engagement on Talent management, which was significant. The rationale is that the organizations with engaged employees large pool of talented people. It has been observed that engaged and talented employees complete their job assignments on time, which contributes to the overall performance of the company. Further, Employee Engagement drives employees to improve their skills and talent , which should promote their proficiency on the job, contributing to meeting or exceeding performance standards.

4. LIMITATION AND FUTURE RESEARCH

Like all studies, the present study also has all the precautionary efforts to ensure the objectivity, reliability and validity of the study, yet certain limitations were discovered. Firstly, it is a cross-sectional study examining a specific point in time. Longitudinal designs are needed in future research to extend our findings. Finally, the data was collected from Private bank employees only, so the results lack generalisability. It should be helpful for the future studies to replicate these findings in other sectors to enhance generalisability in other settings.

5. CONCLUSION

Employee engagement is an important tool for reducing talented employees' turnover and to generate strong commitment and loyalty among the young recruits, there should be satisfactory workplace environment for employee engagement, which will reduce turnover and increase customer loyalty and stakeholder value. To promote a culture of engagement, HR leaders guide the way to design measure and evaluate realistic workplace policies and practices that help in attracting and retaining talent with skills and competencies required for growth and sustainability. Further, employee engagement mediated the relationship between job resources and turnover intention. As conclusion, that organizations have to take a more holistic view while planning employee engagement to manage the required key elements in order to enhance motivation, attendance and talent retention. Employee engagement through attributes like good communication between employer and employee, career growth opportunities, induce and boost confidence within employees, which helps in their retention. On the other hand, absence of employee engagement weakens the worker's long-term commitment and creates difficulty in attracting, aligning and retaining talented employees.

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