

# Impact of Management Practices on Talent Retention Using Talent Analytics Metrics

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## Abstract

Human resources are an evitable resource for achieving organizational goals. Human resources are no longer merely a factor of production but now play a crucial role in successful organizations. Every employee represents a bouquet of Competencies or talent. Many organizations view Human Resource Management as Talent Management. This study examines the relationship between talent analytics and employee retention. Talent analytics encompasses the processes, strategies, and technologies used to manage HR operations in an organization. Talent Analytics encompasses data-driven decision-making and analysis. Attrition among workers is the opposite of employee retention. Talent Analytics may favourably impact several aspects of Talent Management, including recruitment, training, retention, career promotion, and redeployment. solutions. Many organisations can use historical data to forecast future outcomes. Employees who frequently visit job sites are more likely to leave the organisation for better opportunities. An employee with a large number of unresolved professional grievances may depart the organisation. Over 250 employees in the industrial sector provided feedback on the use of Talent Analytics. All of these responders are from Chennai. Data research revealed that most respondents believe Talent Analytics improves employee retention. The researcher investigated the relationship between the availability of a Talent Analytics System in a respondent's organisation and their intention to stay.

**Keywords:** Talent Management, Talent Retention, Management Practices and Talent Analytics.

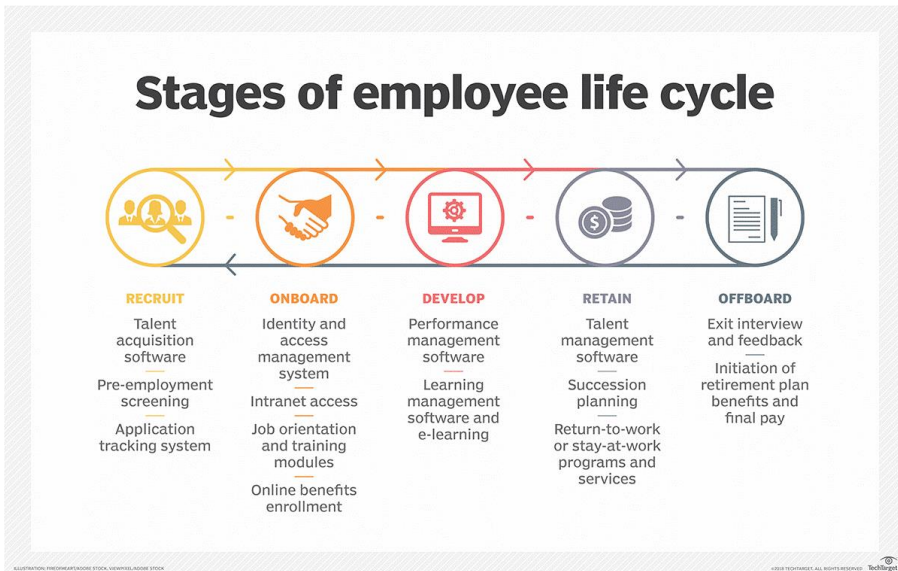
## 1. Introduction

In today's competitive environment, human resources have emerged as a valuable asset. Developing internal talent is critical as it is the organization's most important and unpredictable resource. Organisations rely on their assets and capital to survive and thrive. To thrive and meet society's needs, organisations must streamline their processes through effective workforce planning. While personnel planning helps organisations plan for their future needs, it's equally

important to understand how to identify and keep exceptional people. Losing an employee means starting the hiring process again. Retaining talent requires balancing the costs of new hires with income generating for the organisation. This research focuses on retaining talent through various models and analytics to reduce attrition, lower hiring costs, training and development costs, increase productivity, and improve employee happiness and engagement.

### Human Resource Management Cycle with Talent Management

Understanding the definition of "talent" is vital. Individual qualities, competencies, skills, knowledge, and potential can be leveraged to drive organisational success, transformation, and change. This enhances the business's strategic and aggressive positioning. John Branson, CEO and creator of Virgin Airlines, believes that "People First" is the most valuable resource for any organisation. Redesigning HR activities to support employee life cycles is crucial for organisations. The HRM Cycle, also known as the Employee Life Cycle (ELC), encompasses an employee's entry, tenure, and exit, as well as the role of the HR department at each stage. The word refers to an employee's career progression from recruiting to resignation, retirement, or termination. In most organisations, the human resource department is responsible for planning, developing, and implementing HR procedures. However, all line managers have an active role in improving HRM practices and advancing the organisation. ELC models are typically represented using diagrams.



### Benefit of Manpower Retention

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for planning, developing, and implementing HR procedures. However, all line managers have an active role in improving HRM practices and promoting organisational development. ELC models are typically represented using diagrams.

The employee life cycle (ELC) involves an employee's induction, career advancement through training and development programmes, and the impact of human capital investments. Prioritise work allocation, adaptability, development, retention, and dismissal/separation. Improving relationship management in an organisation can lead to higher performance, longer tenure, and increased passion and dedication. This will emphasise ELC's performance and improve people management and retention, resulting in a maximum return on individual costs. The researcher believes that while the HR department collects quantitative data on employee attrition, retention, cost per hiring, and return on investment, it does not provide significant context for decision-making. HR should shift its attention from measuring talent retention to proactively using Talent Analytics to reduce costs associated with this process. While dashboards are commonly used for HR data collection and sharing, they are rarely utilised for proactive planning and forecasting.

#### Reason for Employee Attrition

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## 2. Review of Literature

This encompasses all aspects of HR, including productivity, engagement, and retention. This article highlights the superiority of analytic approaches over gut instinct, tradition, hearsay, and speculation for measurement and judgement. The writers of this article discuss how top firms have used data analytics to improve HR practices. The acronym DELTA identifies key aspects for leveraging data analytics. The acronym stands for Quality Data, Employee Benefits, Leadership Team Involvement, Targets, and Analytic. It emphasises that analysis is more than merely a quantitative endeavour. Data analysis encompasses both quantitative and qualitative analysis, including insights into human psychology, industrial relations, political policy, and psychographics. The organisation should have a team capable of interpreting data and providing practical advice.

#### Talent Analytics with Job Security and Satisfaction

Employees at Indian PSUs prioritise job stability, career progression, a positive work environment, salary, and benefits. Although these indicators are observed at all employee levels, their importance varies by category. This indicates that the importance of each of these elements varies among employees. The importance varies depending on age group. As employees age,

they choose job stability over other benefits due to decreased employability. The author emphasises that talent retention is a planned process, not a routine one (Mukherjee.et.al 2022).

#### Talent Analytics with Work Culture

The evolving labour market patterns in India before and after liberalisation. Prior to 1990, the Indian economy had two sorts of organisations: PSUs owned by the state and large private corporations. During those times, staff turnover was uncommon. Employees spent their entire career with one organisation. Neither voluntary nor involuntary turnover was common. Hiring and dismissal were not prevalent. After liberalisation, private sector enterprises gained access to most industrial sectors, with state support. The authors of this essay aimed to identify the characteristics that motivate employees to stay with an organisation. Important factors for employees seeking long-term employment in an organisation (Kumar.et.al 2023).

#### Talent Analytics with Work Life balance and Flexible Timing

Compensation and recognition are important retention aids for all employee segments. However, training and learning and flexible scheduling are effective for retaining a certain group of employees rather than the entire workforce. According to the author, a single sort of retention solution cannot effectively retain personnel across different sectors and levels. To effectively retain specific staff segments, tools must be deliberately utilised. Customising retention tools might be challenging, but they can be tailored to specific goals (Rombaut, E. and Guerry, M.-A. 2020)

This article explores the link between strategic human resource management and employee retention. He did research on personnel at National Bank of Nigeria. According to the author, previous HR functions were prescriptive, reactive, and compliance-oriented. HR strategies are increasingly aligned with an organization's entire corporate strategy. Strategic HR is proactive, progressive, and goal-oriented. The author concluded that Strategic HR improves employee retention (Fahim, M.G.A. 2019).

#### Talent Management with Grievance Management

Emphasizes the link between job happiness and employee retention. He emphasises the importance of gathering employee feedback on numerous metrics to assess happiness or dissatisfaction inside an organisation. Employees should remain anonymous in surveys to provide honest feedback. The author recommends using an independent organisation for surveys rather than conducting them internally. When surveys are conducted by an outside organisation, employees feel more comfortable sharing their honest opinions due to the increased secrecy. External comments can be combined with internal data (Frederiksen 2017).

#### Talent Analytics with Decision making process

“Using Human Capital Analytics to Make Excellent Business Decisions” editors Alexis Fink and Mark Vickers, have delved into various dimensions of HR analytic. In this special edition there are six articles written by different authors and each article looks into a particular facet of HR analytic. This special issue has been published to capture the need for analytic in managing

HR activity and how information has become the foundation of any decision-making process. Editors have also underscored how HR systems and HR analytic are now strategic investments and can provide competitive advantage to the organizations. In one article "Raging Debates in HR Analytic" the authors mentions that HR analytic is both a science and art.

"The Analytics of Critical Talent Management" Kathryn F. Shen discusses how the role of HR has evolved throughout time. The role has evolved from a staff function to meet organisational needs and comply with regulations. HR Managers currently contribute to strategic decision-making and company planning.

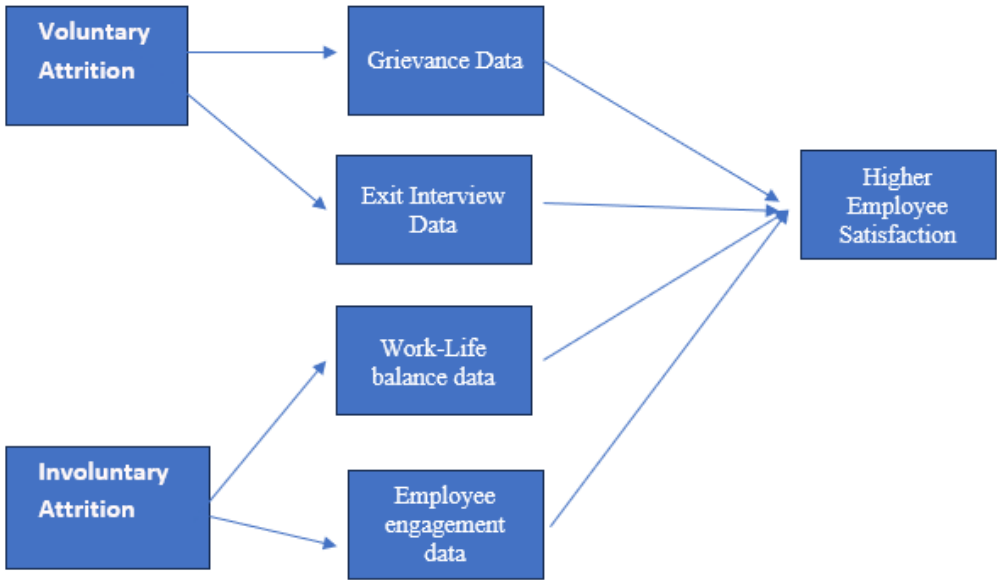
HR analytics play a crucial role in talent management and retention for the SME segment. The lack of funding for high-end technology and analytic expertise hinders the implementation of a successful HR analytics system in this area. However, without an HR structure, companies may struggle to compete with larger organisations. Small and medium-sized enterprises (SMEs) should use low-cost tools and individuals with experience in HR data analytics. The goal is to use data to inform HR decisions, such as hiring new employees or rewarding exceptional performance (Deeba, F 2020).

#### Talent Analytics with Exit Interview

The article suggests several techniques to strengthen employee interactions and maintain a balanced organisational atmosphere. One approach is to conduct exit interviews to understand why people leave the organisation. The author describes it as a technique for getting information from employees who leave the organisation. This would reduce turnover and improve staff retention. Employees leaving an organisation may be hesitant to discuss their experiences or self-disclose information due to a lack of initiative and understanding in conducting departure interviews by the HR department (Soerjoatmodjo Laksmini 2014).

#### Talent Analytics with Training and Development

The study found an indirect association between Learning Culture (LC) and Turnover Intention (TI), as well as a direct relationship between Learning Agility (LA) and TI. This investigation was conducted among lower and middle management personnel of an IT company. Employees, especially the younger age, prioritise learning opportunities before joining an organisation. They recognise the importance of continuous learning to continue their careers, as knowledge is rapidly becoming obsolete. To be relevant in the work market, individuals must keep their expertise up to date (Tripathi.et.al 2022).



Block Diagram 1: Conceptual Framework

### Talent Analytics with Recruitment

Examining the correlation between airline pilot recruitment strategies and retention rates. The author argues that airlines, both domestic and international, entice experienced Indian pilots. Airlines in India have two options: recruit inexperienced pilots and teach them, or hire expert pilots from outside. The first alternative requires airlines to invest much in pilot training, which might become a sunk cost if the pilot leaves. Airlines often enter into service agreements with pilots, requiring them to serve for a set number of years. The second approach requires airlines to give pilots a high compensation in accordance with industry standards.

## 3. Research Methodology

### Research Problem

Employee attrition is taking place in organisations across industries. Organisations have issues due to employee attrition, which is a crucial resource. There are various reasons why employees leave organisations. Implementing numerous initiatives. This research is an effort to find out whether the use of Talent Analytics helps Employee retention.

### Research Objectives

1. To determine the factors that influence employees' tenure with an organisation.
2. To identify the variables that cause employees to depart organisations.

3. Investigate employee perceptions of the effectiveness of Talent Analytics for retention.
4. Determine if an organization's adoption of a Talent Analytic system correlates with employee retention intentions.

#### Data Collection Method

Data was collected using a questionnaire from 308 respondents working in private sector banks, manufacturing units, software organisations, educational institutions, insurance businesses, hotel industries, and retail. Respondents are typically literate and educated, thus questions are written in basic language for easy comprehension. Based on their responses, they will complete the questionnaire.

#### Data Analysis Method

1. Descriptive statistics (percentage table and cross tabulation) were employed to gauge respondents' perceptions of Talent Analytics' value.
2. Inferential statistics (binomial logistic regression) were used to examine the correlation between the presence of Talent Analytics in an organisation and employee retention. Binomial logistic regression was used to analyse the categorical dependent variable (retention intention: Yes or No).

#### Tenure, Attrition and reasons of attrition:

The researcher gathered data on respondents' employment changes, as shown in Table 11 and Chart 11. Approximately 14.6% of respondents have never changed jobs. 22.8% of respondents changed jobs once, while 22.4% changed jobs twice. Only 7.5% of respondents had more than five job transfers.

Table 1: Job Changes

Number of job changes	Frequency	Percent	Valid Percent	Cumulative Percent
> 5	38	7.5	7.5	7.5
0	74	14.6	14.6	22.0
1	116	22.8	22.8	44.9
2	114	22.4	22.4	67.3
3	81	15.9	15.9	83.3
4	52	10.2	10.2	93.5
5	33	6.5	6.5	100.0
Total	508	100.0	100.0	

The researcher also collected information as to the minimum period worked by the respondents in any organization. This gives an idea about the propensity of a respondent leaving a job. It can be seen at Table-12 and Chart-12 that 35.8% of the respondents have worked for just about a

year in any organization in their job career. This means these are the employees who made a job change very quickly. We can therefore say that employees will not mind making a job change if his aspirations are fulfilled by the organization where he works.

Table 2: Maximum Period Worked in any Organization

Period Worked	Frequency	Percent	Valid Percent	Cumulative Percent
> 5	240	47.2	47.2	47.2
1	49	9.6	9.6	56.9
2	71	14.0	14.0	70.9
Valid 3	65	12.8	12.8	83.7
4	54	10.6	10.6	94.3
5	29	5.7	5.7	100.0
Total	508	100.0	100.0	

The researcher also gathered information from respondents regarding the longest period of employment in an organisation. This information provides insight into an employee's loyalty and the number of years he has worked for the organisation. According to Table 2, 47.2% of employees have worked for at least five years in any organisation. That is, if an organisation meets the diverse demands of its employees, many of them will stay with the organisation for a long time.

Table 3: Factor for Retention - Work Life Balance

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid Important	111	21.9	21.9	21.9
Least Imp	23	4.5	4.5	26.4
Moderate Imp	45	8.9	8.9	35.2
Most Imp	232	45.7	45.7	80.9
Very Imp	97	19.1	19.1	100.0
Total	508	100.0	100.0	



Another major issue that employees evaluate when deciding whether to stay with an organisation is the type of growth prospects available. Every employee has a desire to progress through the ranks, handle critical responsibilities, and hold higher positions in the hierarchy. As can be seen in the above table, 47.2% of the respondents considered “Growth Opportunities” as one of the most important factors in employee retention. Only 3.5% of the respondents considered it to be least important.

**Reasons for Attrition**

The researcher also attempted to determine the reasons that lead employees to depart organisations. Though there are numerous reasons for employee loss, eleven critical aspects were thoroughly examined. Table 4 shows the specific reasons and number of responses received from respondents. It is important to note that the questionnaire allowed for several responses by the responder.

**Table: 4 Reasons for Attrition**

Reason for Leaving the Organizations	Count	Percentage
Better Position at the new organization	172	13%
Brand Image of the new organization	103	8%
Down-sizing/Re-structuring by the company	17	1%
Incompatibility with the Supervisor	45	3%
Job not interesting	105	8%
Job security at the new organization	133	10%
Opportunity to learn at the new organization	143	11%
Other Reasons	130	10%
Personal grievances not addressed	30	2%
Work-Life balance issues	121	9%
Better remuneration at the new organization	293	23%
Total Count of responses from 509 respondents	1292	100%

A respondent who has moved employment three times may cite higher pay, job security, and incompatibility with the supervisor as reasons. The table shows that the top three causes for employee attrition are greater salary (23%), better position in the new organisation (13%), and job security (11%). A demographic breakdown of the reasons could provide more information about these reasons.

**Table : 5 Opinion of the Respondents vis-a-vis Retention Intention**

		Chi-square	df	Sig.
Step 1	Step	42.657	10	.000
	Block	42.657	10	.000
	Model	42.657	10	.000

The R Square values are 0.081 (Cox and Snell) and 0.125 (Nagel Kerke). This suggests that the model accounts for only 12.5% (Nagel kerke) of the variation in employees' retention intentions.

**Table: 6 Model Summary**

Step	-2 Log likelihood	Cox & Snell R Square	Nagelkerke R Square
1	483.000 <sup>a</sup>	.081	.125

The R Square values are 0.081 (Cox and Snell) and 0.125 (Nagel Kerke). This suggests that the model accounts for only 12.5% (Nagel kerke) of the variation in employees' retention intentions.

#### **4. Findings and Suggestions**

Majority of the respondents opined positively about the utility of Talent Analytics, though there was no clear relationship that was noticed between the use of Talent Analytics and retention intention. Talent Analytics is used for multiple HR processes and in this research response was collected on ten applications of Talent Analytics in HRM that can have possible impact on employee retention. These applications were considered proxy variables.

Talent analytics systems are now available in a variety of price ranges. Large organisations can easily invest in software from prominent businesses like SAP, TCS, and PeopleSoft, while smaller enterprises (SMEs) often want lower-cost options. Small and medium-sized enterprises (SMEs) can benefit from investing in talent analytics.

Talent Analytics is effective when data is available for various HR operations. Data capture and collection are cultural, not functional, issues. Some organisations collect data from multiple sources and use it for analysis and remedial measures. Some organisations consider that. Data is crucial for strategic decision-making and should be collected by all members of the organisation within their respective areas of responsibility.

#### **5. Conclusion**

The report suggests that using data analytics in HR departments can reduce employee turnover and help organisations plan ahead of time to balance their personnel. A literature analysis found that job security, professional growth, fair performance appraisal, and industry-standard remuneration are key variables in reducing employee turnover.

Organisational strategies and work culture have a significant impact on Gen Y millennials, who prioritise these factors over salary, perks, and benefits. This supports Herzberg's theory of motivator factors as a competitive advantage over hygiene factors. Employee retention is influenced by factors such as work-life balance, growth opportunities, relationships with coworkers and superiors, creating a personal brand image, participative decision-making, flexible scheduling, grievance redressal, open communication, and leadership capability. However, younger employees may leave for greater opportunities.

More training for human resource employees at all levels is needed to effectively apply talent analytics and boost employee retention. Modern HR is prioritising people planning and strategy above systems and processes, leading to a shift in boardroom decisions. Talent analytics focusses on retaining employees and achieving organisational goals. The study suggests that using predictive analytical tools effectively might help organisations retain top personnel, particularly in India.

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