

# The Impact of Talent Management Practices on Intention to Stay: The Mediating Role of Employer Branding

# Geeta Shree Roy, V. Rama Devi,

1 Assistant Professor, Department of Commerce, A.C. College of Commerce, Jalpaiguri, Pin code: 735101, WB India.

2 Associate Professor, School of Management, NIT Warangal, Pin code: 506004, TS, India.

### Abstract-

The global economy got slowdown because of the pandemic. Where companies were still grappling with the existing challenges on managing their talent, the new and bigger challenge on the existence of the very company aroused. The present study focusses on determining mediating role of employer branding in the relationship between talent management practices and intention to stay in pharmaceutical industry. The sample size of 653 employees from eight companies in Sikkim were taken using stratified sampling method. The data were collected using a structured questionnaire comprising statements based on Likert's seven-point scale relating to three constructs – Talent Management, Employer Branding and Intention to Stay. Regression analysis and Process Macro are used to test the causal relationships among the research variables. We found that talent management practices are positively related to employer branding and employer branding is a significant predictor of intention to stay by the employees. The results also established that employer branding partially mediated the relationship between talent management practices and intention to stay.

Index Terms-Employer Branding, Intention to Stay, Mediation, Talent Management.

### INTRODUCTION

In the current day scenario, talent management is not considered as a simple matter dealt by a department; rather it is viewed as the main issue if not dealt properly will have huge brunt on the sustainability of the firm. Since the 1990s, a new business scenario has surfaced, typified by changes in macro environmental forces [1]. Post pandemic, supreme number of employees are skeptical about the past ways of working, instead they want to rejig it which will make them more purposeful, productive. Furthermore, they want to have flexibility and balance in their work life. Earlier those who considered their office to be the best place to work, pandemic has changed their way of seeing an ideal workplace [2].

There is a consistent transformation of existing workforce in an organisation due to significant changes occurring in the global economy and labour market, because of which there is a need for re-introducing the concept of talent management. The factors highlighted by [3]"includes changes in the workforce trends, workforce smaller in numbers and insufficiently skillful, global dimensions of the workforce, virtuality of the workforce, diversity of workforce and autonomy". Talent management is an ongoing process that systematically identifies, attracts, develops and retains talent to meet current and future business needs and objectives.

By implementing an effective talent management strategy, organisations can ensure that the right people are in the right place at the right time, with the right KSAs (Knowledge, Skills and Abilities).

The capacity of an organisation to utilize their human capital turns out to be more critical relative to their capacity to manage their physical capital especially when the unannounced situation has hit the economy upside-down across the world. Now, the question of organisational capabilities comes into picture. Where how the companies at large and pharma companies in particular aces the expectations of all its stakeholders, by not only keeping intact the workforce but also by attractingskilled talent while motivating and enhancing the existing human capital.

Therefore, organisation must be able to attract, develop, retain, and utilize their employees' knowledge, skills and abilities to be at the forefront and sustain competitive edge [4].

# LITERATURE REVIEW

Talented human resource helps in gaining competitive advantage in their companies as they innovate in their respective domain and are competent to take the right decisions in the direction of achievement of goals [5]. Talent management practices relating to attracting, developing, motivating and rewarding the talent provide the sustainable competitive advantage to the organisation in the market [6]-[7]. The mounting interest in TM is mainly due to growing recognition of the impact of talent management practices on business sustainability, growth and profitability.[8] proclaimed that an effective talent management strategy would result savings in operating costs, reduction in new product development cycle period and improved customer service and thereby provides competitive advantage to a company in a particular industry. TM has many positive consequences such as augmented productivity, culture of distinction and many more [9].

Organisations that have engaged good talent management practices revealed noteworthy better financial performance when compared to their peers in the industry, e.g.: increase in sales revenue and enhanced productivity [10]. There is a positive relationship between talent development initiatives and company's performance which implies that talent development significantly affects organisational results [11]. In the study conducted by [12], the relationship between talent management and company performance was established. The positive relationship between TM and company performance substantial the significance of TM implementation.

Situations like senior manager leaving the organisations and joining its competitor overnight, which persuades juniors to follow his/her path will circumscribe growth trajectories for the existing company[13]. One of the factors that can be attributed to the increasing focus on Talent Management is the contribution of talent management in dealing with the scarcity of skilled workforce [14]. The outcomes of an effective talent management strategy comprise improved employee recruitment, decrease in attrition rate, and improved employee engagement which in turn have been related with better operational and financial performance of the organisation [15]. Talent attraction and talent management as a whole assumed lot of significance in the current context of shortage of managerial and technical skills [16]-[17]-[18] especially due to high death toll rates because of the pandemic. Today, corporate leaders recognize the strategic importance of acquisition of talent. They are giving focus to how they are going to fill the gap in the competencies created by retired [19] and demised human capital. In the competitive era, retaining talented people acts as a catalyst for achieving organisational excellence[20]-[21]-[22]-[23]. The dimensions of talent management significantly influence employee retention [24]. Fierce competition and scarcity of talented employees have resulted in identifying and retaining talented employees a top priority for the companies [25].

Effective talent management in the company would lead to a positive employer branding [26]. The reputation of company reflected by the employer brand helps in strengthening to be a distinct and desirable employer and assists in talent retention [15]. Talent retention rests on the positive and strong employer branding of an organisation in an industry[27]-[28]-[29]-[30]-[31]-[32]-[33]-[34]-[35]. Being able to sustain performance and manage its rising complexity is considered to be one of the enablers which need to be strengthen and integrated into the organisations' lexicon [36].

# **OBJECTIVES OF THE STUDY**

- To examine the direct effect of talent management on employer branding
- To investigate the direct effect of employer branding on intention to stay
- To determine the direct effect of talent management on intention to stay
- To investigate the mediating effect of employer branding on the relationship between talent management and intention to stay

### **HYPOTHESES**

H<sub>1</sub>: Talent management is positively related to employer branding.

H<sub>2</sub>: Employer branding is positively related to intention to stay.

H<sub>3</sub>: Talent management is positively related to intention to stay.

H<sub>4</sub>: Employer branding mediates the relationship between talent management and intention to stay.

## **METHODOLOGY**

The participants for the study are the employees working in pharma companies in Sikkim. A sample size of 692 employees was chosen representing six companies in East Sikkim and two companies in South Sikkim using stratified sampling method. The data is collected using a structured questionnaire designed for the purpose of the study. The questionnaire comprised statements based on Likert's 7- point scale relating to three constructs – Talent Management, Employer Branding and Intention to Stay. Regression analysis and Process Macro are used to test the causal relationships among the research variables -Talent Management (predicting variable), Employer Branding (mediating variable) and Intention to Stay (outcome variable). Statistical significance of the model was tested through the software developed by [37]-[38], the approach grounded on ordinary least-squares regression, and the bootstrap method. Before proceeding to analysis, variables were scrutinized for any missing values, accuracy of data entry and outliers. After data cleaning, valid responses were 653 which are used for further analysis. The reliability of the constructs was evaluated using Cronbach alpha. Cronbach alpha values ranged from 0.764 to 0.955 (Table I) and all the coefficients exceeded the recommended cut off of 0.70 [39] (Nunnally, J. C. 1978).

**TABLE I**RELIABILITY OF CONSTRUCTS

Construct	No. of Items	Cronbach's Alpha Value
Talent Management	25	0.955
Employer Branding	8	0.925
Intention to stay in the company	3	0.764
Intention to stay in the company	3	0.764

**Source**: Data analysis done by the researcher based on primary data collected.

### **RESULTS & DISCUSSION**

H<sub>1</sub>: Talent management is positively related to employer branding.

In order to test the hypothesis, a linear regression was run with talent management as the independent variable and employer branding as the dependent variable. The results of the studyreveals that talent management is positively related to employer branding which is significant though the coefficient is less (b= 0.277, SE= 0.009, p<0.001) as shown in Table II. Since the coefficient is positive, it implies that effective talent management in the company would lead to a

positive employer branding, supporting the positive effect hypothesis. This finding is in conformity with the study conducted by [26].

TABLE II
DIRECT EFFECT RESULTS

Direct Effect	В	SE	t	P
TM→ EB	0.277	0.009	31.232	***
EB→ IS	0.851	0.026	32.694	***
TM→ IS	0.306	0.009	33.122	***

**Notes**: TM= Talent management, EB= Employer branding, and IS= Intention to stay, \*\*\*p<0.001. **Abbreviations**: b-unstandardised beta coefficient, SE- standard error, t- critical ratio. **Source**: Data analysis done by the researcher based on primary data collected.

H<sub>2</sub>: Employer branding is positively related to intention to stay.

The results indicate that employer branding is a significant positive predictor of the intention to stay (b= 0.851, SE= 0.026, p<0.001) and beta coefficient is also high (Table II). Employer branding accounts for 85.1% of variance in intention to stay by the employees. Since the coefficient is positive and high, these results depict that strong employer branding in the organisation would lead to higher intention to stay by the employees, supporting the positive effect hypothesis. The results of the study are consistent with previous studies findings that talent retention rests on the positive and strong employer branding of an organisation in an industry [27]-[28]-[29]-[15]-[40]-[34]-[41]. There is a positive and significant relationship between employer brand and employees' intention to stay [34]-[35]-[30]-[31]-[32]-[33].

H<sub>3</sub>: Talent management is positively related to intention to stay.

To test the hypothesis, a linear regression was run with talent management as the independent variable and intention to stay as the dependent variable. The results connote that talent management is significant moderate positive predictor of the intention to stay (b= 0.3060, SE= 0.009, p<0.001) as depicted in Table II. Since the coefficient is positive, these results indicate that good talent management practices in the organisation would lead to intention to stay by the employees thereby increase the retention rate, supporting the positive effect hypothesis. The results are in conformity with the earlier findings [9]-[15]-[42]-[43]-that good talent management practicesincreases intention to stay by the employees and leads to employee retention. Talent management practices are negatively related to employees' intention to quit the company[44]-[45]-[46]. The effective talent management strategies augment the retention rate in organisations[15]-[47]-[48]-[49]-[50].

**TABLE III**PATH COEFFICIENTS, INDIRECT EFFECTS, AND 95% BIAS-CORRECTED CONFIDENCE INTERVAL PREDICTING INTENTION TO STAY (N=653)

Path	Effect	SE	p-value	CI (Lower)	CI (Upper)
Total effect	0.3060	0.0092	***	0.2879	0.3241
Direct effect	0.1753	0.0130	***	0.1498	0.2009
Indirect effect				BootLLCI	BootULCI
TM→EB→IS	0.1307	0.0141	Significant	0.1043	0.1591

**Notes**: TM= Talent management, EB= Employer branding, IS= Intention to stay, \*\*\*p<0.001.

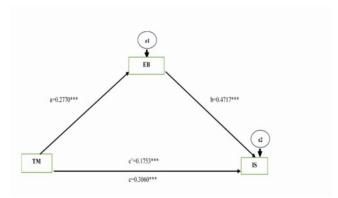
**Abbreviations**: CI (lower)- lower limit confidence interval; CI (upper)- upper limit confidence interval; BootLLCI-Bootstrapping lower limit confidence interval; BootULCI- bootstrapping upper limit confidence interval; SE- standard error.

**Source**: Data analysis done by the researcher based on primary data collected.

H<sub>4</sub>: Employer branding mediates the relationship between talent management and intention to stay.

The proposed mediation that Employer branding mediates the relationship between talent management and intention to stay was tested using PROCESS macro model 4 [38]. Talent management impacts employer branding (b= 0.2770, SE= 0.0089, p<0.001) significantly. It implies that effective talent management in the company would lead to a positive employer branding. Similarly, employer branding is also a significant positive predictor of intention to stay (b= 0.4717, SE= 0.0364, p<0.001) as indicated in Table IV.

The total effect (c) of talent management on intention to stay is significant (b= 0.3060, SE= 0.0092, p<0.001) shown in Table II. The indirect effect was tested using 10000 bootstrap samples and the results are portrayed in Table III. It is clear from the results that the indirect coefficient is significant (b= 0.1307, SE= 0.0141, 95% CI = 0.1043, 0.1591) and the direct effect (c') is also significant (b= 0.1753, SE= 0.0130, 95% CI =1498, 2009). This establishes partial mediation and it can be stated that employer branding partially mediates the relationship between talent management and intention to stay.



### **FIGUREI**

MEDIATION MODEL INDIRECT EFFECT OF TM ON ISTHROUGH EB

**TABLE IV**MEDIATION MODEL RESULTS

Figure 1 TM, EB & IS	В	SE	t	P
TM→ EB	0.2770	0.0089	31.2317	***
TM→IS	0.1753	0.0130	13.4571	***
EB→IS	0.4717	0.0364	12.9492	***

**Notes**: TM= Talent management, EB= Employer Branding, IS= Intention to stay, \*\*\*p<0.001. **Abbreviations**: b- unstandardised beta coefficient; SE- standard error; t- critical ratio; **Source**: Data analysis done by the researcher based on primary data collected.

## **CONCLUSION**

The performance of an organisation and its competitive advantage relies on talented workforce. In the last few decades, talent management has become a hot topic of debate and discussion among academicians and practitioners. Keeping in mind the crucial scenario which came as an uninvited guest in the last year worldwide- the global pandemic, every organisation needs to buckle up in their talent management strategies specifically pharma companies where the challenges and expectations are giving tough fight altogether. Talent provides edge to the company and on the other hand, intricacies relating to talent are very challenging. The increasing inclination of the employees to switch over the companies has made employee retention a great cause of concern for the companies. Because of the huge costs involved in high attrition rate, the companies are giving more focus to the practices that help in retaining the employees. The results of the present study established that good talent management practices will strengthen employer branding and employees' inclination to stay with the company. It is also found that employer branding partially mediates the relationship between talent management and intention to stay.

## **ACKNOWLEDGMENT**

We express our sincere gratitude and thanks to all the HR, Plant heads, and employees of pharmaceutical companies situated in the state of Sikkim which were taken in this study for their continuous support to provide necessary information required for this study.

We would also like to thank Indian Council of Social Science Research (ICSSR) that extended financial support by awarding the research fellowship to the scholar [Grant number: RFD/2017-18/COMM/GEN/090].

# **REFERENCES**

- [1] Hatum, A. (2007). *Adaptation or Expiration in Family Firms: Organisational Flexibility in Emerging Economies*. Cheltenham: Edward Elgar.
- [2] Bourla, Albert. 2021. "Harvard Business Review." 34–39.
- [3] Sojka, L. (2010). Analýzakonvergentných a divergentnýchtrendov v systémochriadeniaľ udských zdrojov v EÚ. *Journal of management: research and practice*. 2(1-2), pp. 91-101.
- [4] Grönhaug, R.M. & Nordh, M (1992). Prospering in dynamically-competitive environments: organisational capability as knowledge integration. *Organisation Science*, 7 (4), pp. 375-387.
- [5] Ahmed, H. K. (2016). The impact of talent management on the competitive advantage in the organisations. *International Journal of Management and Applied Science, 2*(8), pp. 67-75.
- [6] Heimen, S. J., & Colleen, O. N. (2004). *Managing talent to maximize performance.* Retrieved May 14, 2018, from Wiley inter science: www.intersciencewiley.com.
- [7] Heidrick, G., & Struggles. J. (2011). *Global talent info graphic index*. Retrieved January 24, 2016, from http://www.heidrick.com/WEF2011/Documents/GTI.htm[Retrieved January, 24, 2016]
- [8] Pablos, M. O. (2004). *Winning strategies for a global workforce: Attracting, retaining, and engaging employees for competitive advantage.* Stamford, CT: Towers Perrin.
- [9] Ballesteros, S. R., & Inmaculada, D. F. (2010). Talents- the key for successful organisation, *Unpublished Ph.D. dissertation, Linnaeus School of Business & Economics*. Linnaeus University.
- [10] Steinweg, S. (2009). Systematisches Talent management: Kompetenzenstrategischeinsetzen. Stuttgart: Schäffer-Poeschel.
- [11] Latukha, M. (2018). Talent development and a firm's performance: Evidence from Russiancompanies. *Journal of General Management*, 43(2), pp. 51-62.
- [12] Latukha, M. (2015). Talent management in Russian companies: domestic challenges and international experience. *The International Journal of Human Resource Management*, 26 (8), pp. 1051-1075.
- [13] Jindal, P, and Shaikh, M. 2020. "Talent Management Efficiency in Succession Planning: A Proposed Model for Pharmaceutical Companies." *IAEME* 11(12):203–13.

- [14] Sireesha, P., & Ganapavarapu, L. K. (2014). Talent Management: A Critical Review. *IOSR Journal of Business and Management*, 16(9), pp. 50-54.
- [15] Hughes, J. C., & Rog, E. (2008). Talent management: A strategy for improving employee recruitment, retention and engagement within hospitality organisations. *International Journal of Contemporary Hospitality Management*, 20(7), pp. 743-757.
- [16] Kim, S., Froese, F. J., & Cox, A. (2012). Applicant attraction to foreign companies: The case of Japanese companies in Vietnam. *Asia Pacific Journal of Human Resources*, *50*(4), pp. 439-458.
- [17] Frenkel, S., Sanders, K., & Bednall, T. (2013). Employee perceptions of management relations as influences on job satisfaction and quit intentions. *Asia Pacific Journal of Management,* 30(1), pp. 7-29.
- [18] McDonnell, A., Collings, D. G., & Burgess, J. (2012). Guest editors' note: Talent management in the Asia Pacific. *Asia Pacific Journal of Human Resources*, *50*(4), pp. 391-398.
- [19] Kumar, S. R. (2013). A study on talent acquisition in sierra Atlantic. *Advances in Management*, 6(9), pp. 27-31.
- [20] Schuler, R. S., Jackson, S. E., & Tarique, I. (2011). Framework for global talent management: HR actions for dealing with global talent challenges. In H. Scullion, & D. Collings, *Global Talent Management* (pp. 17-36).
- [21] Aksakal, E., Dağdeviren, M., Eraslan, E., et al. (2013). Personel selection based on talent management. *The 2nd International Conference on Integrated Information.73*, pp. 68-72. Procedia-Social and Behavioral Sciences.
- [22] Gallardo-Gallardo, E., Dries, N., & Gonzalez-Cruz, T. (2013). What is the meaning of "talent" in the world of work? *Human Resource Management Review*, *23*(4), pp. 290-300.
- [23] Jyoti, J., & Rani, R. (2014). Exploring talent management practices: Antecedents and Consequences. *International Journal of Management Concepts and Philosophy, 8*(4), pp. 220-248.
- [24] Hafez, E., AbouelNeel, R., & Elsaid, E. (2017). An exploratory study on how talent management affects employee retention and job satisfaction for personnel administration in Ain Shams University Egypt. *Journal of Management and Strategy*, 8(4), pp. 1-17.
- [25] Hejase, H. J., Hejase, A. J., Mikdashi, G., et al. (2016). Talent management challenges: An exploratory assessment from Lebanon. *International Journal of Business Management and Economic Research*, 7(1), pp. 504-520.
- [26] Tajuddin, D., Ali, R., & Kamaruddin, B. H. (2015). Using talent strategy as a hedging strategy to manage banking talent risks in Malaysia. *International Business Management*, pp. 372-376.
- [27] Fitz-enz, J. (2003). *Human capital branding: the new organisational effectiveness model. Heads Count: An anthology of the competitive enterprise.* Peoplesoft, Inc., Pleasanton, CA.
- [28] Brewster, C., Sparrow, P., & Harris, H. (2005). Towards a new model of globalizing HRM. *International Journal of Human Resource Management*, *16*, pp. 949-970.
- [29] Neal, S., &Gebauer, J. (2006). Talent management in the 21st century: Attracting, retaining and engaging employees of choice. *World at Work*, 15(1), pp. 6-17.
- [30] Cheese, P., Thomas, R. J., & Craig, E. (2007). *The talent powered organisation: Strategies for globalisation, talent management and high performance.* London: Kogan Page Limited.
- [31] Crous, S. (2007). Talent makes the rules now. Corporate Research Foundation, 33, pp. 4-7.
- [32] Minchington, B. (2010). Employer Brand Leadership A Global Perspective. Australia: Torrensville: Collective Learning.
- https://issuu.com/brettminchington/docs/employer\_brand\_leadership\_a\_global\_perspective
- [33] Willock, R. (2005, May). Employer branding is key in fight for talent. *Personnel Today*, pp. 4.
- [34] Khoshnevis, M., & Gholipour, A. (2017). Exploring the relationship between employer brand and employees' retention. *International Journal of Scientific & Engineering Research*, 8 (10), pp. 141-151.
- [35] Tanwar, K., & Prasad, A. (2016). Exploring the relationship between employer branding and employee retention. *Global Business Review*, 17(3), pp. 1-21.

- [36] Bhadoria, V., Bhajanka, A., Chakraborty, K., et al. n.d. *India Pharma 2020: Propelling Access and Acceptance, Realising True Potential*. McKinsey & Company.
- [37] Hayes, A. F. (2012). Process: A versatile computational tool for observed variable mediation, moderation and conditional process modeling. Retrieved from http://www.afhayes.com/public/process2012.pdf
- [38] Hayes, A. F. (2013). *Introduction to mediation, moderation and conditional process analysis: A regression-based approach.* New York: NY: Guilford Press.
- [39] Nunnally, J. C. (1978). *Psychometric Theory*. New York: NY: McGraw-Hill.
- [40] Mihalcea, A. D. (2017). Employer branding and talent management in the digital age. *Management Dynamics in the Knowledge Economy, 5*(2), pp. 289-306.
- [41] Gilani, H., & Cunningham, L. (2017, August). Employer branding and its influence on employee retention: A literature review. *The Marketing Review*, *17*(2), pp. 239-256.
- [42] Heinen, J. S., & O'Neill, C. (2004). Managing talent to maximize performance. *Employment Relations Today, 31*(2), pp. 67-82.
- [43] McCauley, C., & Wakefield, M. (2006). Talent management in the 21st century: Help your company find, develop and keep its strongest workers. *Journal for Quality and Participation*, 29(4), pp. 4-7.
- [44] Darvish, H., Najafi, Z., & Zare, R. (2012). Evaluate the level of talent management competencies and its relationship with intention to quit the organisation. *Journal of Basic and Applied Scientific Research*, *2*(10), pp. 10068-10076.
- [45] Theron, M., Barkhuizen, N., & Du Plessis, Y. (2014). Managing the academic talent void: Investigating factors in academic turnover and retention in South Africa. *SA Journal of Industrial Psychology*, 40(1), pp. 1-14.
- [46] Allen, D. G., Shore, L. M., & Griffeth, R. W. (2003). The role of perceived organisational support and supportive human resource practices in the turnover process. *Journal of Management,* 29(1), pp. 99-118.
- [47] Hussain, I. A., Yunus, N., Ishak, N. A., et al. (2013). The influence of intentions to leave towards employment engagement among young bankers in Malaysia. *International Journal of Business and Management*, 8(14), pp. 89-97.
- [48] Deros, B. M., Khamis, N. K., Rahman, M. N., et al. (2009). A survey on benchmarking understanding and knowledge among Malaysian automative components manufacturing SMEs. *European Journal of Scientific Research*, *33*(3), pp. 385-397.
- [49] Rani, A., & Joshi, U. (2012). A study of talent management as a strategic tool for the organisation in selected Indian IT Companies. *European Journal of Business and Management, 4*(4), pp. 20-28.
- [50] Srivastava, P., & Bhatnagar, J. (2008). Talent acquisition due diligence leading to high employee engagement: Case of Motorola India MDB. *Industrial and Commercial Training, 40*(5), pp. 253-260.
- [51] Rana, R. E. N. U., and S. H. I. K. H. A. Kapoor. "Exploring the contribution of employer branding in corporate image building." International Journal of Business and General Management 21 (2016): 32.
- [52] Tampi, Gayatri Sasi, and Githa Heggde. "IMPACT OF Organisational Initiatives On Internal Branding-Evidence From Indian It Organisations In Bangalore." International Journal of Human Resources Management (IJHRM) 7. 4, Aug Sep 2018; 1-10
- [53] Das, Sarit Prava, and Parna S. Mishra. "Antecedents and consequences of employee engagement: A critical analysis of literature review." International Journal of Human Resources Management 3.2 (2014): 73-86.
- [54] Kumar, Muthu, And Sibichen Mathew. "Challenges Of Sports Shoe Brand Preference (Syndrome) In Delhi-National Capital Region Of India." International Journal of Textile and Fashion Technology (IJTFT) 9 (2019): 1-8.

- [55] Jha, S. U. S. H. M. I. T. A., and AJAI KUMAR Singhal. "A recent study on attrition trends and retention practices in India: Issues and implications." International Journal of Human Resource Management and Research 4.2 (2014): 47-58.
- [56] Pallavi, E. V. P. A. S., and M. Bhanu. "Green HRM: A way for corporate sustainability." International Journal of Human Resource Management and Research (IJHRMR) 6.2 (2016): 13-20.