

## IMPACT AND INFLUENCE OF TALENT MANAGEMENT PRACTICES ON EMPLOYEE PERFORMANCE IN PHARMA INDUSTRY

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### **Abstract**

This study set out to ascertain how talent management strategies affected the performance of workers in India's pharmaceutical industry. Simple random sampling was used for this investigation. And the survey's collected data from roughly 376 respondents were put to use. The study's findings demonstrated the highly beneficial effects of talent management strategies, such as talent attraction, development, and retention, on employee performance. The study's findings may benefit the pharmaceutical industry's human resource management department by enabling them to implement strategies for managing gifted workers that will inspire them to work effectively toward the organization's goals. The pharmaceutical industry should create plans and procedures for managing talent so that it can adapt to changing circumstances by drawing in, nurturing, and keeping skilled workers who can meet the organization's present and future demands.

### **Introduction**

Talent management is essential for firms to effectively compete in the global marketplace by providing the necessary talent resources. Thus, in difficult circumstances, an organization's ability to retain its competitive advantage depends critically on the performance of its talented workforce (Mujtaba & Mubarik, 2022). Additionally, Kaliannan et al., (2023) claimed that by putting talent management strategies into practice—such as locating, luring, choosing, training, and keeping people—organizations can make better use of the skills and abilities of talented workers in order to succeed both locally and internationally. Furthermore, there is a pool of talent management activities that are involved in luring, picking, nurturing, and keeping talented workers in order to reveal the potential of capable individuals who perform well at particular tasks and activities inside the company (Jooss et al., 2023). In light of the shifting environment, talent management has become a crucial component for the human resource management department within an organization to meet the demand for talented workers in the present and the future (Collings Zhang, & Chen, 2023). Organisations are encountering challenges in attracting, fostering the learning and development of, and retaining talent to address the anticipated requirements in an ever-evolving environment (Tawanda & Tsara, 2022). In order to effectively gain a competitive edge in the

technological and global marketplace, organizations need to allocate resources to meet their talent requirements, both current and future. This can be achieved through competent employee management and optimal performance. However, in order to gain a competitive advantage over rivals, talent management strategies are crucial for producing skilled workers within the current workforce (Mary, Enyinna, & Ezinne, 2015).

Although talent management strategies have not been discussed extensively among various types of organizations, they have garnered more attention in recent times due to their potential to provide and sustain a competitive advantage over rivals. Many research have been conducted on the relationship between employee performance and talent management strategies; however, little significant research has been done in the context of India's pharmaceutical business. said that there hasn't been much research done on talent management strategies in the pharmaceutical sector. This study aims to close this gap by investigating how talent management strategies affect the performance of employees in the pharmaceutical business. This study examined the effects talent attraction, talent learning & development, and talent retention on employee performance in a Pharma company.

## Literature Review

The definition of talent management is "a collection of organizationally designed practices to draw in, nurture, utilize, and retain talent as well as career management to meet future demands with the goal of placing the right person in the right position" (Bibi, 2018). Talent management methods are elaborated as human resource development to acquire competitiveness, and these days, organizations are concerned with managing talent effectively and efficiently (Whysall, Owtram, & Brittain, 2019). Furthermore, talent management is well-thought-out as the cornerstone of human resource management, to accomplish organizational objectives through talented individuals, according to Jewell, Jewell, and Kaufman (2022). In order for organizations to compete in the modern business environment, they need to develop strategies for attracting and selecting talent, nurturing gifted individuals to fulfill present and future skill requirements, and managing and retaining them to enhance their ability to manage competition (Cheese, Thomas, & Craig, 2007).

The competence of skilled employees can enable every company to gain a competitive edge over their competitors. Consequently, an employee's performance is the outcome of their actions throughout a specified duration, either in accomplishing a task or in fulfilling organisational objectives. (Motowidlo, Borman, & Schmit, 2014). Employee performance was assessed in relation to talent management techniques by (Khairina, Games, & Yuliharsi, 2022). They showed that talent management strategies, which encompass career development, work-life balance, and talent development, had a notably good impact on employees' performance. However, Saleh and Atan (2021) also noted that talent management techniques had a good impact on worker satisfaction and performance. Furthermore, it was mentioned by (Bibi, 2018) that employee

performance is impacted by talent management strategies. The human capital theory and the Maslow hierarchy of needs serve as the foundation for this study's talent management theories.

The Maslow hierarchy of needs hypothesis identifies five types of human needs, which are as follows: security, belonging, esteem, and self-actualization requirements are at the top, followed by physiological needs, which are essentially met by having access to food, drink, and shelter (Taormina, & Gao, 2013). An organization can meet these needs of its employees by providing them with good wages and compensation (Hanif, Khalid, & Khan, 2013). By giving workers the chance to enhance their abilities and reach their maximum potential (Renwick, Redman, & Maguire, 2013). Nonetheless, this additional support provided by the company can motivate employees to take advantage of fresh chances to improve their performance (Dong, Bartol, Zhang, & Li, 2017). In order to attract and retain talent, organizations need to be attentive of their employees' requirements and devise a competitive way to address those demands (Mitchell, Holtom, & Lee, 2001). As a result, companies can draw in, nurture, and keep a pool of bright workers who will work tirelessly to accomplish company goals.

The theory of human capital explains the skills, abilities, and knowledge of employees. Issues related to this valuable capital include attracting, developing, and retaining individuals within the organization to create a skilled workforce by using diverse practices to manage the talent (Kossyva et al., 2023). Talent management, according to Stahl et al. (2012), was mainly concerned with five areas: employee acquisition, selection, engagement, development, and retention. Three components of people management practices—talent recruitment, learning and development, and retention—were the focus of this study and were covered in more detail in the section that follows.

The initial stages of talent management in a business involve the processes of recruitment and selection (Kumar, 2022). It is important to highlight that, among various strategies to attract talented individuals, recruitment and selection hold particular significance. These procedures can serve as a strategic approach to improve individual employee performance by introducing skilled individuals to the organisation and providing them with opportunities to excel. This is according to Boštjančič & Slana (2018). Additionally, they noted a favorable correlation between employee performance and staffing (recruitment & selection) procedures. The deductive technique was utilized by Azungah (2018) to evaluate the impact of recruiting and selection procedures on employee performance.

The results indicated a positive correlation between recruitment, selection, and employee performance. Bakhshwain and Javed (2021) conducted a survey to explore the influence of recruitment and selection practices on employee performance. Their research unveiled the beneficial influence of recruiting and selection on worker performance. The researchers determined that the recruitment and selection procedure is of utmost importance in attracting highly skilled individuals who can make substantial contributions in the future and help the organization achieve its goals. Therefore, the forthcoming hypothesis for this investigation is expected to be:

H1: Talent attraction positively influences employee performance in Pharma Company of India.

Talented employees' learning and development has become essential to the success of organizations; in the current competitive climate, employees may find it difficult to sustain their performance without constant learning and development. As a result, employees need to invest in learning and development to improve their abilities and adapt to a constantly changing work environment (Kyndt et al., 2011). Pousa, Mathieu, and Trépanier (2017) investigated the relationship between employee performance and coaching. The study's conclusions demonstrated that coaching has a favorable impact on employees' job performance. Therefore, the subsequent hypothesis is formulated:

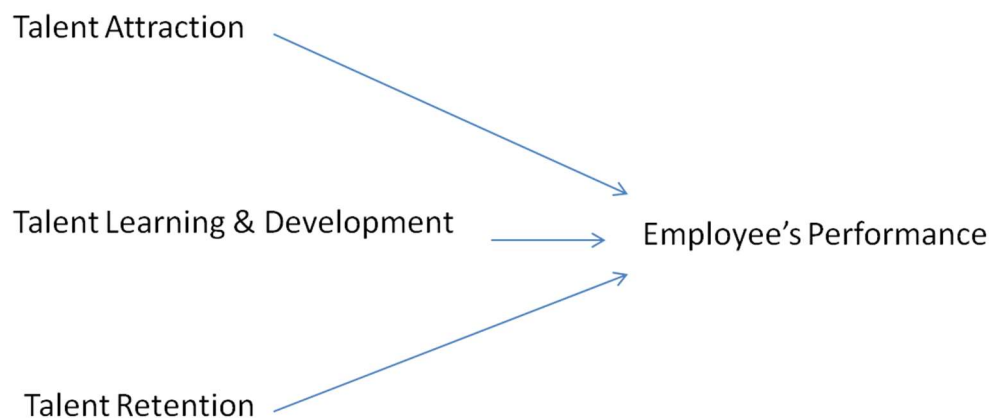
H2: Talent learning and development positively influence employee performance in Pharma Company of India.

For an organization to remain competitive, it is more important to retain people. This can be achieved by implementing remuneration practices that deter individuals from leaving their jobs (Bibi, 2018). Pay seems to be a workable strategy for keeping talented workers around to support organizational growth and goal achievement. Defined as rewards from an employee's employment, compensation (Bibi, 2018). An explanatory study was conducted by Weng et al. (2010) to ascertain the impact of career path, organizational commitment, and remuneration on worker performance. The study's findings indicated that employee performance was significantly impacted by career, organizational commitment, and compensation. Consequently, the following hypothesis is framed:

H3: Talent retention positively influences employee performance in Pharma Company of India.

### Theoretical Framework

The theoretical framework presented below has been developed following a comprehensive literature review on talent management practices and employee performance.



## Research Methodology

The primary aim of engaging in research is to systematically investigate a problem and enhance our comprehension of it. It is crucial, however, to distinguish between method and methodology during the research process. Methodology refers to the underlying beliefs, assumptions, and principles that guide researchers and authors in their study, while methods relate to the practical approach used to gather and analyse data. In this particular study, a quantitative research approach was employed. This involved obtaining information from potential participants through sampling methods and distributing online questionnaires. By employing this method, the researchers sought to gather numerical data that could be statistically analysed to derive conclusions and insights.

A probability simple random sampling approach will be utilised to select the sample population, which refers to the group of individuals considered for the study. The target population for this study comprises full-time employees of Aurobindo Pharma Limited. Simple random sampling was employed in this investigation, with the sample population initially set at 575 people. However, approximately 200 individuals did not provide responses to all questions. Consequently, these incomplete responses were excluded from the study. After the data was cleaned, only the responses of 376 participants were considered for further analysis. The sample group encompasses both male and female employees (refer to Figure 1) in managerial and higher grades, aged between 25 and 55 years (refer to Figure 2), and possessing work experience ranging from 0 to 30 years (Figure 3).

Figure 1: Represent the age of respondents.

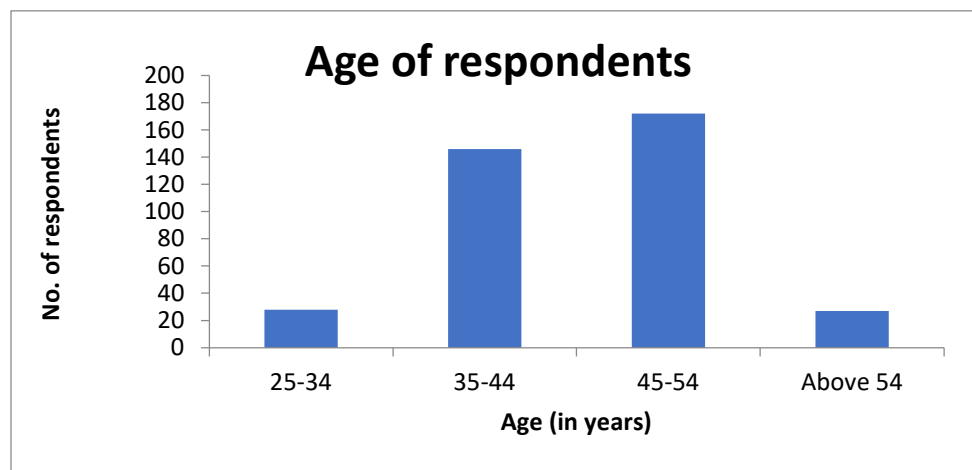


Figure 2: Represent the gender of respondents.

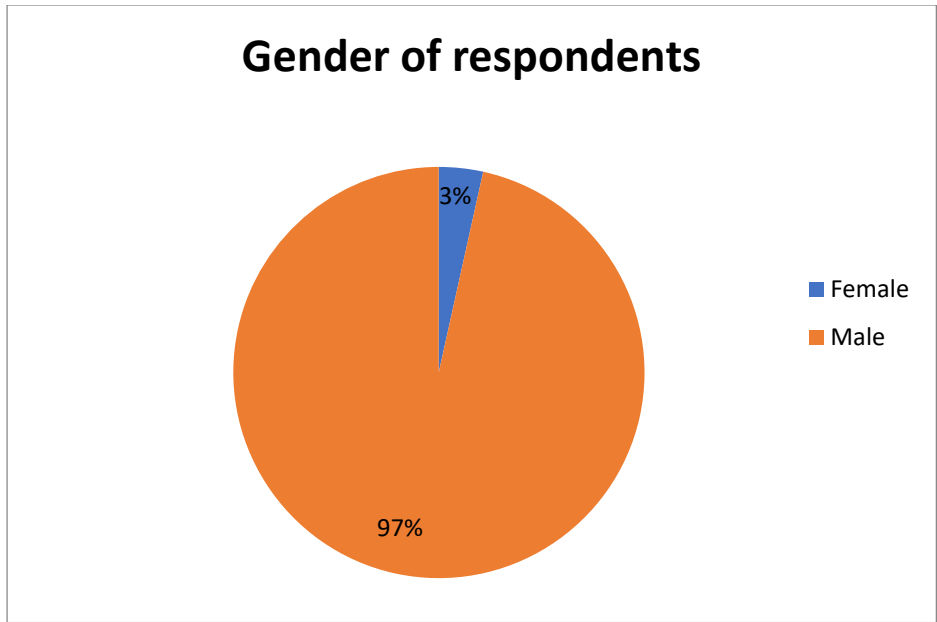
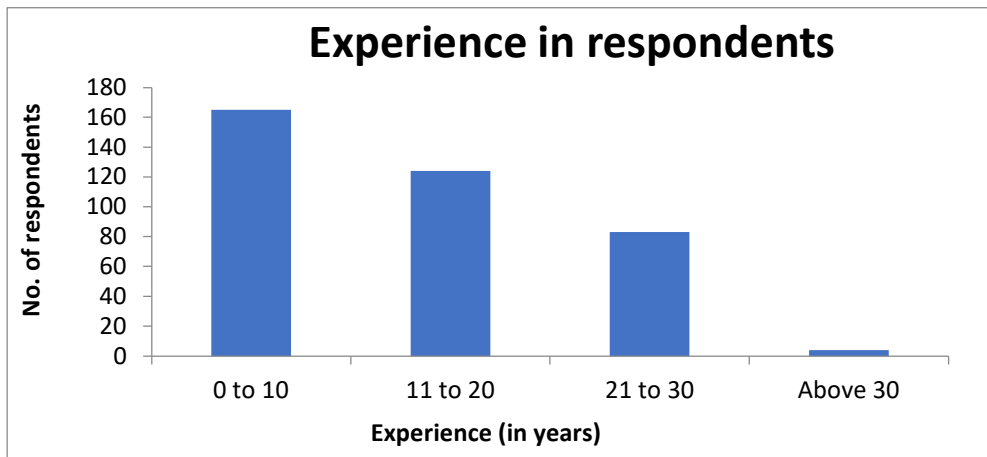


Figure 3: Represent the experience of respondents.



In this research, primary data was acquired through the administration of a questionnaire. The questionnaire encompassed inquiries related to talent retention, talent coaching and development, talent attraction, and employee performance. To gather data, the researchers engaged with senior employees of the organisation. The survey inputs were systematically arranged using the email addresses of the participants. Comprehensive details regarding survey respondents who opted not to participate are documented. In instances of an insufficient sample size, the process of collecting secondary data is initiated. For participants who prefer not to participate in the online survey, physical questionnaires are distributed and subsequently collected upon completion. To ensure a robust questionnaire response rate, additional questionnaires are distributed based on the specified sample size requirements. The research utilised a set of questionnaires as its primary tool. These questionnaires were written or printed documents containing a series of questions presented in a

sequential manner. Respondents were required to choose and mark the appropriate response from a set of options provided for each inquiry. The questionnaire adopted a close-ended format, featuring multiple-choice questions based on both five-point and two-point Likert scales. The fundamental data collected from the participants were tabulated and analysed in this study using the Statistical Package for Social Science (SPSS) software, version 21.

## Results

Reliability analysis was employed to assess the internal consistency of variables. The examination of internal consistency revealed an alpha value of 0.814 (N=6) for talent attraction, and 0.989 (N=8) for talent coaching and development. In the case of Compensation, the alpha value was 0.897 (N=6) for talent retention, while for employee performance, the Cronbach alpha value was 0.891 (N=8). Consequently, the questionnaires utilised in this study demonstrated reliability, as the alpha values surpassed the acceptable threshold of 0.81 across all variables.

Table 1 –Reliability Statistics

Variables	Cronbach's Alpha Value	Number of items
Talent attraction	0.814	6
Talent coaching and development	0.989	8
Talent retention	0.897	6
Employee performance	0.891	8

Table 2 presents the correlation values for all variables. The correlation analysis indicated a positive relationship between talent attraction and employee performance ( $r = 0.782$ ,  $p < 0.05$ ). Similarly, a positive correlation was observed between talent coaching and development and employee performance ( $r = 0.897$ ,  $p < 0.05$ ). Furthermore, talent retention exhibited a positive association with employee performance ( $r = 0.857$ ,  $p < 0.05$ ). Table 2 –Pearson correlation (Talent attraction, talent coaching and development, talent retention and employee performance)

Variables		Employee performance	Talent attraction	Talent coaching and development	Talent retention
Employee performance (N=376)	Pearson Correlation	1.000	0.782	0.897	0.857

	Sig. (2-tailed)		<0.05*	<0.05*	<0.05*
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\*Significant

Table 3 presents a summary of the multiple regression analysis, wherein talent attraction, talent coaching and development, and talent retention served as independent variables, while employee performance was considered the dependent variable.

The results from the regression analysis demonstrated significant positive findings, with a p-value of < 0.05,  $F(3,363) = 332.941$ , and an  $R^2$  value of 0.669. This indicates that talent attraction, talent coaching and development, and talent retention collectively account for a substantial proportion of the total variation in employee performance. Specifically, the unstandardized beta ( $\beta$ ) for recruitment and selection was 0.259, with a p-value < 0.05, indicating a positive and significant impact of talent attraction on employee performance. Additionally, talent coaching and development ( $\beta = 0.172$ ,  $p < 0.05$ ) and talent retention ( $\beta = 0.387$ ,  $p < 0.05$ ) were also found to have positive and significant effects on employee performance.

Table 3: Regression Analysis.

Variables	B	Standard Error	t value	Significance
Talent attraction	0.259	0.042	4.699	< 0.05*
Talent coaching and development	0.172	0.047	3.725	< 0.05*
Talent retention	0.387	0.049	7.567	< 0.05*
	$R=0.818$	$R^2 = 0.669$	$F(3,363) = 332.941$	

\*Significance

This study centred on examining the impact of talent management practices on employee performance in a pharmaceutical company. The first hypothesis, which posited that talent attraction positively influences employee performance in an Indian pharmaceutical company, is accepted. The results indicate a positive and significant effect, with a p-value below 0.05. Therefore, talent attraction plays a significant role in influencing employee performance in the pharmaceutical company.



The second hypothesis, stating that talent learning and development positively influence employee performance in an Indian pharmaceutical company, is also accepted, as the p-value is less than 0.05. Consequently, talent learning and development are deemed crucial mechanisms for enhancing employee performance in the pharmaceutical company.

The third hypothesis of this study, stating that talent retention positively influences employee performance in an Indian pharmaceutical company, is also accepted, given the p-value is less than 0.05. Consequently, talent retention emerges as an effective strategy not only for enhancing employee performance but also for preventing the departure of talented employees from their roles. This study provides empirical evidence regarding the relationship between talent management practices and employee performance. Therefore, it underscores the significance for contemporary organisations to focus on attracting, developing, and retaining talent, as it has a subsequent positive impact on employee performance.

In the ever-changing business environment, all organisations, including healthcare pharmaceutical companies, must reassess their talent management practices to better leverage the capabilities of their employees and gain a competitive edge over their rivals.

## Conclusion

This study evaluated talent management strategies, including hiring and choosing individuals to hire, training and developing talent, and retaining talent, as well as the impact these strategies have on worker performance. This study shows that talent management strategies—talent acquisition, development, and coaching—have a favorable and significant impact on worker performance. Pharma companies should create talent management strategies and procedures so they can adapt to changing circumstances. This will help them draw in, nurture, and retain talent to meet their present and future needs as a competitive advantage and boost organizational performance through employee performance. Furthermore, the results of the study indicate that organizations need to establish suitable procedures for managing their skilled workforce in order to enable them to achieve their objectives. Conversely, it would be beneficial for future scholars to look at how talent management techniques affect organizational effectiveness. To expand any further, other facets of talent management techniques had to be investigated.

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