Examining the influence of talent management on organizational performance: A comprehensive overview

Neha Agarwal*, Siddharth Sriram*, Malvika Dudi Bagaria*, Hemal Thakker*, V. Vinod Kumar*

*Maharishi School of Business Management, Maharishi University of Information Technology, Uttar Pradesh, India.
†Centre of Research Impact and Outcome, Chitkara University, Rishikesh, India.
‡Department of Management Studies, Vivekananda Global University, Jaipur, India.
§Department of ISME, ATLAS SkillTech University, Mumbai, Maharashtra, India.

Abstract In the current environment, organizations are highly motivated to possess the most effective talent administration solutions. While it is crucial for the growth of an organization, attracting and keeping exceptional talent has proven to be one of the common problems facing businesses. Employee engagement is a crucial element that improves the correlation between talent management (TM) and organizational achievement. The goal of this study is to provide a comprehensive review of the TM techniques that have been presented and used in the relevant literature. Systematic literature review (SLR) is the study approach that was employed to gather and summarize the most significant information about the last four years (2020–2024) of enhancing organizational performance with methods for people management. The SLR procedure used 30 published studies and adhered to PRISMA requirements. By analyzing both internal and external factors that affect TM’s application, the research’s findings were aimed to provide significant perspectives for the discussion on the validity of TM to public organizations. Talent management improves organizational performance by encouraging team development, involvement, and loyalty, assuring sustained profitability and edge over the competition.

Keywords: talent management (TM), organizational performance, employee, business

1. Introduction

In the modern business environment, talent management has become essential for determining a company’s achievement and capability to succeed. It has an impact on numerous aspects of the organization. Talent management ensures that businesses attract fresh candidates and select the best individuals with the correct education, knowledge and cultural fit. Proper hiring processes help to develop skilled staff that can drive the organization toward its strategic objectives (Hyde and Jain 2021). Because engaged employees are more dedicated to the organization’s objectives, talent management strategies that prioritize employee development and recognition result in better levels of engagement and happiness, performance, fewer dropouts and increased efficiency (Almaaitah et al 2020). One of the most important components of an effective organization’s competitive edge is its capacity to hire, retain, deploy and engage personnel at all levels of hierarchy. The significance of organizational commitment to achieving performance goals related to human resources is that effective talent management strategy execution improves employee engagement, which benefits the performance of the organization. It has become more challenging to determine which organizations are more effective than others. This occurs because different organizations may have different ideas about the causes of an organization’s effectiveness (RaeisiZiarani et al 2023).

The aim of organization management is to achieve goals and objectives in an effective and efficient way, which comprises the planning, coordination, direction and control of organizational resources and activities. To ensure effectiveness and long-term success, numerous aspects of an organization’s staff, processes, culture, and structure must be monitored. These are the important components of organization management. A strategic plan helps the organization to keep on track for the future by directing resources and activities toward common objectives (Shahi et al 2020). With the use of coding tools, behavioral factors influence talent management and production assessments. Talent management is a valuable tool for achieving corporate goals because it can achieve its aims, which are expected to increase knowledge of effective behavioral concepts on potential human resources (Kumar 2022).
Al Aina and Atan (2020) suggested using structural equation modeling (SEM), which was employed to confirm the suggested theories. This research indicated that career management, development and education enhanced the long-term effectiveness of the company, whereas recruiting and maintaining talent had no impact. For the company to achieve sustainable growth, the research suggests that management should focus on job rotation, coaching and training programs and employee career management. Verma and Arrawatia (2020) suggested the use of a variety of study papers, articles and literature to identify the beneficial correlation between organizational performance and talent management. Organizational performance depends on employee performance. Organizations with specialists could stand out from their competition. Retaining and gaining skilled workers has become essential for human resources (HR) managers in today’s economic surroundings. Talent management is a complicated and essential activity. Having the right talent improves an organization’s approach. Son et al. (2020) examined the relation between the employee retention factor and the talent administration variable, and a multiple regression model was developed. Employees who are able to maintain an organization that enables the development of career paths and pay structures are very helpful in attracting and retaining workers. Sopiah et al. (2020) proposed that they can be helpful in organizing, creating, and executing various staff retention initiatives. The field of talent management includes the development of both individuals and organizations to adapt to a dynamic and complex work environment. Hongal and Kinange (2020) solved a significant gap in the understanding of the connections among employee management methods, organizational commitment, and pay satisfaction. Talent strategies promote democracy and equity within the organization and therefore the capacity to generate business commitment.

Luna-Arocas et al. (2020) proposed that an organization’s employees stand out from the competition if they have specialized knowledge. A company’s strategy becomes more effective with proper talent acquisition. Modified regression analysis is the method used for data analysis. At the same time, employee performance is impacted by organizational commitment and culture. Kravariti and Johnston (2020) suggested that public sector talent management (TM) requires the implementation of important HR procedures to align staff with the sector’s strategic objectives and tackle complicated challenges. Internal factors influencing TM implementation include methods such as recruiting and selection, as well as soft factors such as culture, which can positively or negatively impact the process. Ju et al. (2020) suggested that all of the hypotheses were accepted, suggesting that talent management impacts pharmaceutical organizations’ overseas corporate body (OCB) and commitment to emotion. The research suggests that the connection between OCB and talent management is positively mediated by contract execution.

2. Methodology

A systematic literature review (SLR) is utilized as part of the study methodology. Previous talent management research analyses have employed this method. As a multifaceted approach, SLR has recently gained popularity. SLR is considered a multifunctional strategy and has been applied in current research that has been published in reputable scientific publications. A literature review included planning, guidelines and outcome reporting. This comprehensive assessment of the literature was developed by applying PRISMA. Figure 1 shows the PRISMA flow for the study. Talent management is a complete process of organizing, hiring, training, supervising and paying staff members throughout the whole organization. There are three main stages. The first stage was to determine the review’s objectives and timescale. The process involved searching and analyzing several papers, followed by a detailed analysis of the study results. The Scopus database provides valuable literature for talent management research. The greatest challenge in this modern world was identifying and retaining appropriate talent.

2.1. Search strategy

A comprehensive assessment of the relevant literature is performed, including studies using both quantitative and qualitative research methodologies and practical, conceptual and novel review papers. They concentrated on double-blind papers evaluated by peers and English-language publications. They also include books and book chapters, working papers, government publications and practitioner-focused sections from business consultants. This means that the review included a large amount of dispersed material while maintaining the constraints of the research. Since the title and abstract of an article usually include keywords arranged in order of relevancy, those parts are searched through.

2.2. Selection criteria

The search parameters, timeframe, and terminology used to determine the inclusion criteria of the papers examined in this article are defined as the recommendations. The electronic databases of Journal Storage (JSTOR), Google Scholar, Science Direct and Web of Science were the search restrictions. The characteristics that potential participants must possess to be accepted in the study are known as inclusion criteria. These qualities refer to the salient traits of the intended audience that researchers can use to address their research topic. Medical, geographic, and demographic factors such as age, gender, race, ethnicity, marital status, educational background, and language, as well as variables related to employment type, degree of physical activity and the existence of mental, emotional, or medical disorders, were used as inclusion criteria. Table 1 shows the inclusion and exclusion criteria.

https://www.malque.pub/ojs/index.php/mr
3. Talent Acquisition

Executives in the business world stress the value of talent in both local and international operations. A long-term strategic method for hiring is talent acquisition. This involves finding, luring, providing care, inspiring, sustaining and keeping skilled employees. Organizations use talent acquisition to align with their goals. Qualitative recruiting is crucial for effective talent management strategies. The worldwide employment market faces a talent shortage (TS) because of a lack of candidates with the required abilities for the position (Sandeepanie et al. 2020). Limited demand for suitable talent. Multitasking skills are essential in today's professional world. More specific and sophisticated skill sets are created by organizations for various roles. Depending on their objectives and situations, organizations change their job descriptions. It is true that talent is an important issue on domestic and global fronts, as many business executives have pointed out. Organizations are concentrating on talent acquisition to achieve their goals. Qualitative recruitment is becoming essential to talent management strategies. Talent needs to be compatible with job requirements and be able to support the organization to reach its goals (Koch and Marescaux 2021).

The worldwide job market is dealing with TSs that do not meet the skill levels and requirements of jobs. Multitasking skills are required in today's corporate environment. Organizations are developing more specific and advanced skill sets for specific positions. Job descriptions differ based on organizational requirements and goals. It is clear that identifying talented employees is more difficult than simply identifying workers. Therefore, organizations must focus on Talent Mismatch as the most crucial job (Noreen and Imran 2021). A compromise is made to achieve success, and it is important to adopt a proactive approach to talent acquisition rather than depending on a filled-in box mindset. Conventional hiring fills the open position. Developing talent needs a long-term outlook, looking beyond the current position to find candidates for upcoming roles. The complete hiring process has been addressed by talent acquisition options, from communication administration and branding for business career websites to candidate acquisition and interview management. Modern businesses utilize modern technologies such as multimedia instruments, job-matching websites, search engines, and networking sites in their acquisition plans (Tarique 2021). Organizations are taking the opportunity to reevaluate their current talent strategy in considering the
current economic crisis. In response, solution providers are increasing their partnerships and range of products. Newly innovative providers are entering the market to replace traditional resumes (Alimansyah and Takahashi 2023).

4. Results and Discussion

4.1. Talent and talent management conceptualization

Talent management has been created to provide a unified answer to challenges related to the attainment and maintenance of talented workers. The difficulty is that the majority of published research focuses on the private sector, with a few public sectors. Talent management is filled with misunderstandings, unpredictability, and confusion, suggesting that the field lacks practical foundation and contributing to its reputation as unknown among numerous experts. Furthermore, the impact that talent management has on an organization’s performance is a problem, especially when highly skilled employees are viewed as talent inside the company (Theodorsson et al 2022). According to studies conducted during the new millennium, authors in scientific subjects impact the definition of genius in the academic literature. Creativity is viewed as talent in the field of educational psychology, but it is related to power according to psychological theory. Talent refers to an individual’s fundamental ability to provide better outcomes than the remainder of the workforce in a given business environment. It refers to special characteristics that individuals develop to help their firm (Azeem et al 2021). This can be explained by the particular attributes that employees in the public sector need to possess, such as a natural drive to serve the public interest without regard to personal benefit. Public sector talent management depends on identifying talent and implementing context-specific goals. There are four schools of thought in the literature that describe public sector talent management as the logical recruitment, growth, deployment, maintenance, and engagement of public sector employees in both the short and long term.

4.2. Management of Talent in Healthcare Organizations

The SLR is an established strategy in medical research since it synthesizes the literature in a visible, reproducible manner. Despite their benefits, such approaches have not become common in business research. Previous research on important elements of talent management in healthcare companies has included formal evaluation, education, programming, leadership, compensation, and organizational culture, as well as recruitment, development, nurturing and succession. Talent is said to be significantly influenced by nurturing. Healthcare organization strategies appear to have a positive effect on a number of variables, such as organizational commitment, patient and staff satisfaction, service quality, and service delivery efficiency (Latukha et al. 2022).

Using talent management techniques can improve patient and employee satisfaction, improve service efficacy and efficiency, and help individuals who share the organization’s values and objectives. These advantages extend to both employees and businesses, and additional research has shown that talent management and service efficiency are positively correlated. Additionally, a number of studies support the idea that talent management improves organizational performance (FATOL et al 2020). In addition, leaders have been demonstrated to be crucial talent management actors, and hospitals consider good leadership to be a key approach for achieving high performance. Therefore, a number of hospital performance criteria, such as internal/external placement rates for executive jobs, Medicare expenditures per beneficiary, and patient satisfaction, are highly correlated with succession management techniques (AKKOCA et al 2023).

4.3. Talent Management and Organizational Performance

According to the results of the empirical study, employee recognition and talent management can have a large impact on workers’ level of performance and improve an organization’s status and success. The study revealed a connection between acknowledging staff members and talent administration. Employee presentation and talent management are viewed as planned equipment that achieves goals and enhances organizational and individual performance. The results highlighted the significance of employee recognition management in influencing performance at work (Meyers et al 2020). Empathy, self-worth and status in society seem to be high-level human requirements that remain constant with time or situation.

An organization needs a talent management plan to function as efficiently feasible. Within the context of strategic renewal, talent management’s task is to establish a situation that requires self-initiative, the identification of potential change agents, and the development of skilled staff members to perform this role. Identifying the “battles to be won” that can have a greater influence on change should be the initial phase in the strategic renewal process in regard to adopting talent management (Björk et al 2022). Next, upper management needs to support and motivate gifted staff members who can volunteer to assist with the company’s overall transformation. This research helps to unlock the "black box" of talent management in the public sectors of developing countries.

Organizational performance has two components: profitability and sales growth. A systematic approach to talent recruitment, development, and retention improves corporate success. However, constructing talent management with all workers is crucial for creating internal human resource strategies and sustaining an attractive base. Both academics and professionals discuss talent management as a new priority in human resource management. Academic performance can
improve at universities through the systematic execution of talent and knowledge management, academic climate, and university reform (Speed and Kulichyova 2021).

### 4.4. Internal variables impacting the public sector’s recruitment and hiring

The recruitment of talent in the public sector might benefit from marketing. This can engage existing and future employees. Furthermore, highly dedicated workers might assist TM in increasing dialog among staff members at different levels of the hierarchy, increasing each employee’s unique contribution to the achievement of company objectives. Public sector TM objectives should consider their potential impact on society, regardless of their method of implementation. The TM needs to assess the goals of the entire population. External elements, including financial limitations and legal, political, and cultural aspects, are crucial for the public sector’s acceptance of TM (Wiblen and McDonnell 2020). Table 2 shows the internal factors influencing public sector talent management.

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<tr>
<th>Internal Parameters</th>
<th>Source</th>
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<tbody>
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<td>Branding/Organizational Reputation</td>
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<td>Business Strategy/Mission Organizational Culture/Structure</td>
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<td></td>
<td>Social Working Environment Effects on the Community</td>
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<td></td>
<td>Upper Management/Support for Leadership</td>
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<tr>
<td>Corporate Functions facilitateTM</td>
<td>Hiring and Finding: Identifying Talent Management of Staff Retention</td>
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### 4.5. External influences affecting public sector talent management

This becomes challenging when considering the fact that younger generations favor mobility, are more concerned with the standard of their work and have higher standards. Consequently, organizations might no longer depend on employee loyalty and must believe strategies for bringing over new workers and retaining talent. For example, changes in political objectives frequently result in changes to budgets that can reduce the amount of financial resources available for promoting the adoption of technology management. The application of TM is impacted by legislation (Festing and Schäfer 2022). This becomes challenging because younger generations prefer mobility, have greater expectations, and become more concerned with the quality of their employment. As a result, organizations can no longer rely on loyalty and must think about strategies for attracting and retaining talent. Furthermore, TM is viewed as an unfair process that goes against the values and principles of equal treatment in the public sector. This is a paradoxical situation in which the public sector lacks talent because it is difficult to find people with the competences, information, and values that support the organization’s basic principles (van Heugten 2020). Table 3 shows that the external influences affecting public sector talent management.

<table>
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<tr>
<th>External Parameters</th>
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<tr>
<td>Specific Context</td>
<td>Sector’s Characteristics, Principles, and Values</td>
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<td>Market and Competition Forces</td>
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<td>Talent Shortages</td>
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<td>Political Forces, National/Regional Cultures</td>
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5. Conclusions

This review examines the effect of talent management on organizational performance through a comprehensive assessment of 30 studies, revealing valuable insights into the nuanced link between talent management techniques and organizational success across diverse industries. Internal factors influencing TM implementation include methods such as recruiting and selection, as well as soft factors such as culture, which can positively or negatively impact the process. Additionally, the research emphasizes how personnel management paradigms are changing in the healthcare industry, where special possibilities and difficulties call for specialized methods of hiring, developing and retaining people. External influences were categorized as those influencing an institution as an entire entity, such as the general society, and influencing specific executive situations, such as talent shortages. This research focuses on the subtle effects of talent management on organizational performance, highlighting its complex and varied results. Effective personnel management strategies increase an organization’s overall effectiveness and competitiveness in a number of ways, from boosting employee engagement and retention to encouraging innovation and agility.

Ethical Considerations

Not applicable.

Conflict of Interest

The authors declare no conflict of interest.

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