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OUTCOME OF TALENT MANAGEMENT AND EMPLOYEE RETENTION IN ORGANISATION PERFORMANCE: INSIGHTS FROM INFORMATION TECHNOLOGY SECTOR

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Abstract

In today's busy world, it is evident that, in light of the post-pandemic context, the prior study did not go further into the demands of the employee or the reasons for their job or company moving. The work-life balance has radically altered, and it is anticipated that this has also altered employee demands. Any organisation that wants to sustain its success must survey its workforce to learn about their present requirements and develop a strategy for talent management and retention. These are the primary areas of attention for this study from an Indian standpoint. It is now clear that the workforce powers information technology and the software companies that power it. The profitability of the company will thus increase if their well-being and work-life balance are prioritised. Maintaining the employee will assist the company in keeping up its level of performance and competitiveness. The primary focus of this study is the impact of staff administration and retention strategies in software companies. Several

Indian cities hosted a pilot study. There has been an adoption of the random sampling approach. Around 200 software professionals from different Indian cities have received the structured questionnaire that has been produced. 169 people responded to the survey out of 200. The findings are analysed to provide new insights when the study methodology, which includes a basic percentage analysis and the ranking method, is used. The study also examines respondent opinions and the necessity of working certain hours, as well as the organisation's intention to provide benefits and facilities that will keep employees happy and ensure business profitability. More research in this area may focus on finding the most economical approach to improve employee well-being and motivate them to work for the company for an extended period of time by establishing a win-win scenario for the company and its employees.

Keywords: Staff Holding, Strategy, Firm Performance, Software, IT Industry.

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1. Introduction

Whether to develop or acquire talent has ramifications. When deciding whether to separate talent, what signal should an HR manager send out through a communication strategy? When there are no challenging choices accessible in the internal labour market, how can talent be developed and individuals be retained? The organisation has been able to hire top people from top pharmaceutical companies because of the talent mentality. The top and valued talent segment's attrition rate has decreased. Succession planning has been used to fill a few important roles. HR professionals may learn more about attracting, hiring, and managing people in a competitive internal and external labour market from another study. Additionally, it offers theoretical insight and empirical backing for the strategic HRM literature on talent management themes (Sharma, R., & Bhatnagar, J., 2009). The difficulty of managing talent globally is essential to the success of a company. The difficulties in attracting, managing, and keeping talent persist even after the global economic downturn of 2008 and 2009, particularly in emerging nations where demand for qualified labour has exceeded supply.

In order to assess the circumstances, A key factor in determining employee retention, job happiness, and career success is the intrinsic benefits they get. Four antecedents of intrinsic

incentives were examined in a study: manager support, pride in the organisation, performance management (PM), and the employer's social responsibility. Both the moderating effect of several hygiene parameters and the significance of intrinsic rewards as a mediating variable were found to be supported (Tymon Jr., W. G., Stumpf, S. A., & Doh, J. P., 2010). The assessment of human capital (HC) in service industries is in dire need of research that elucidates the differences between various service-orientated businesses in terms of the function and quantification of intellectual capital (IC), particularly human capital, which is widely regarded as the most important component of IC. The study concentrated on a high-tech service provider. The study makes the important suggestion that the organisation of the company's project management should be taken into account when calculating human capital. In actuality, projects' transient character contrasts with recurring processes that provide goods or services. It is frequently discovered that in practice, managing these two systems is very different, necessitating the development of certain technical abilities (Demartini, P., & Paoloni, P., 2011).

Another research looks at the aspects that made the software industry in the 3I nations - Israel, India, and Ireland - successful, analyses the connections between them, and analyses how well software companies function in West Africa. It develops a methodology for evaluating the connection between software companies' performance and their intellectual capital by including ideas from several theoretical vantage points. The findings indicate a strong correlation between firm performance and competitive capabilities, as well as between the components of intellectual capital and those skills. Regarding the moderating impacts of transformational leadership and managerial commitment, conflicting findings were observed. The findings add to our understanding of strategic management and the strategic value of intellectual capital, and they have significant consequences for researchers, policymakers, software developers, and other industry participants (Abdulai, M. S., Kwon, Y., & Moon, J., 2012). The choice of capital structure affects the firm's value as well as the total cost of capital. Because growth organisations need to raise new funds in order to finance their expansion, the decision about their capital structure is much more crucial. The study's analysis of Indian software businesses' sales from 2000 to 2012 shows that they unquestionably qualify as growth enterprises.

Nevertheless, during the research period, these enterprises are largely debt-free. These businesses appeared to adhere to the Pecking Order Theory. In addition to attempting to explain why this nearly debt-free capital structure exists, the article shows how risk and liquidity management may be crucial in determining the capital structure of these emerging businesses

(Bandopadhyay, K., 2012). Because of the speed at which technology is developing, information technology (IT) services companies must constantly make investments to retrain their human capital, which is their most valuable asset base. We investigate the effectiveness of human capital investments made in employee training in terms of raising employee performance. Formal training may be linked to individual employee performance thanks to the employee-level panel data collection. Through the use of a dynamic panel model, it was possible to determine that employee performance was significantly improved by training. An employee's performance increases by 2.14% for every unit increased in training. It's interesting to note that it shows how IT knowledge and skills are particularly dynamic, as skills atrophy in the industry and high-experience individuals benefit more from training as a result. Additionally, it finds that generic training available to staff members outside of their primary employer enhances productivity.

On the other hand, performance is not favourably correlated with particular training relevant to the focus firm. However, while both technical and domain training improve employee performance on their own, their combination points to a substitutive connection. The results imply that a targeted curriculum emphasising a structured competency development program is necessary for training to be valuable. The results also have theoretical and practical implications. Above all, they provide justification for further expenditures in human capital to support future expansion in this significant sector of the world economy (Bapna, R., Langer, N., Mehra, A., Gopal, R., & Gupta, A., 2013).

2. LITERATURE REVIEW

The software business is one of those most impacted by the profound effects of globalization. The field of global software development, or GSD, is becoming more popular. Human resource management is one of the software processes that are being impacted by this new software production trend. An overview of the consequences of GSD for software project managers is given via research that examines project performance from several angles, including the 360-degree feedback evaluation. The study's findings indicate that GSD projects perform worse than in-house projects, but there are additional unfavourable effects for software project managers that should be considered. An experiment showed that software project managers were not paying enough attention to their jobs, which resulted in a decline in performance (Colomo-Palacios, R., Casado-Lumbreras, C., Soto-Acosta, P., García-Peñalvo,

F. J., & Tovar, E., 2014). The remarkable achievements of the Indian IT sector are mostly attributable to two sub-sectors: business process outsourcing and IT software services (ITSS).

The Indian ITSS sector has faced several difficulties and contradictions. The literature for practitioners provides extensive documentation of its achievements, development, and difficulties. The main purpose of the training department was to provide employees with the specialised knowledge and abilities they needed to do their jobs more effectively. The many industry-accredited bodies and government-operated polytechnic institutes provide specialised technical training to the industry. These institutions are typically thought of as secondary to premier / professional education. The tale of the liberalised Indian economy is widely known and chronicled, with particular mention of the IT sector in India (Malik, A., 2015). There is little empirical evidence to substantiate the association between knowledge management (KM) and the performance of organizations. Scholars underscore the necessity for both conceptual and empirical investigation to cultivate a more comprehensive understanding of the interplay between knowledge management (KM) and organisational performance. It is necessary to conduct holistic research studies on the unified model of knowledge management, which includes KM enablers, KM processes, KM strategies, and organisational performance. Furthermore, there is a paucity of information on Indian knowledge management. Building the theoretical and empirical foundation in the Indian context is so essential. Therefore, by investigating the impact of knowledge management (KM) on organisational performance in Indian software businesses, a second study attempts to close this research gap.

The findings demonstrate that knowledge management (KM) and organisational performance are significantly correlated (Payal, R., Ahmed, S., & Debnath, R. M., 2016). The research's main management takeaway is that investing in general human capital development through strategic learning (training and internal certifications) can improve company performance through capability-seeking. The company saw investing in general human capital as a strategic need in order to succeed in the competitive IT services market, notwithstanding the risk involved. Businesses may achieve and maintain increased earnings by utilising a combination of business domain expertise and broad technology abilities to solve customers' business challenges. The study also shows how a developing-country company upgraded its employees' capacities through internal development in response to fierce competitive competition from worldwide rivals with higher capabilities. By doing this, the company was able to grow internationally and close the competence gap with its international competitors (Chatterjee, J., 2017). Since software firms are knowledge-based businesses, they make

significant investments in HRD strategies to address the skills gap in their workforce and maintain their competitiveness in today's fast-paced business climate.

Additionally, software firms consistently participate in HRD interventions for the growth of their workforce; the most obstacles are issues with poor employee engagement, commitment, and desire to stay (Uraon, R. S., 2018). It is impossible to ignore the declining rate of employee retention, particularly in the Information, Communication, and Technology (ICT) sector on a local and international level. Another study looked at how supportive work environments affect employee retention. It is predicted that job satisfaction, supervisory support, and organisational support - the three main indicators of a supportive work environment - have a strong and positive correlation with employee retention. The study's conclusions demonstrated that the only factors positively and significantly correlated with employee retention are supervisory support and work satisfaction. Nonetheless, no meaningful correlation has been shown between organisational support and ICT personnel's retention rates (Alias, N. E., Zailan, N. A., Jahya, A., Othman, R., & Sahiq, A. N. M., 2019). Because agile software development offers so many advantages, it has become standard practice in software development businesses.

Managing Agile projects in small and medium enterprises (SMEs) may be challenging, though, as these projects must meet the high standards of their clients while moving fast to completion. An inventory of metrics from the Agile development process that have been realistically validated within the framework of a small software development business and implemented by the organisation in its Agile projects. Practitioners may use these metrics in their Agile projects and modify them to fit their own requirements and set of tools, particularly if they are working with SMEs. The results might serve as a starting point for future empirical investigations and other types of study by academics (Choraś, M., Springer, T., Kozik, R., Lopez, L., Martínez-Fernández, S., Ram, P., & Franch, X., 2020). Innovation is critical to the long-term growth of a business. Research looked at the ways that an innovative workplace culture enhanced knowledge management and creative behaviour in companies. The findings demonstrate that the innovation atmosphere positively impacted idea creation and idea promotion, two of the three dimensions of innovative work behaviour, as well as knowledge acquisition, dissemination, and responsiveness to knowledge, as three aspects of knowledge management.

On the other hand, there was little effect of the innovation climate on the concept realisation dimension. These results add to the body of information on innovation in the context of workplace culture and work behavior. It also emphasises the critical role that innovation

atmosphere plays in knowledge management and creative work behaviour (Huang, H., & Li, F., 2021). Human resource management (HRM) strategies used by businesses to manage personnel in both local and foreign organisations are beginning to use artificial intelligence (AI) and other AI-based applications. Over the past ten years, there has been a proliferation of AI-based applications within the HRM function. This has led to the emergence of a stimulating new body of research on subjects like the social impact of AI and robotics, the effects of AI adoption on personal and corporate outcomes, and the assessment of AI-enabled HRM practices. The use of these technologies has changed how work is structured in national and multinational businesses, presenting chances for decision-making, resource utilisation, and problem-solving by staff members and organisations. However, research on AI-based solutions for HRM remains scarce and dispersed, despite a growing interest in scholarship in this area (Budhwar, P., Malik, A., De Silva, M. T., & Thevisuthan, P., 2022).

A year ago, in the same month, the SEN issue had a commentary titled "The Human Side of the Tech Industry: Key Drivers Behind the Tech Talent Dilemma." It talked about how the IT sector is growing at an exponential rate and how difficult it is to locate people, fill hiring gaps, and complete projects. It listed this as one of the biggest threats to completing the necessary number of digitalisation projects. A year after the publication of that issue, the tech sector was shaken by a widespread layoff wave, with the majority of IT professionals being laid off in the United States. This is confusing. What became of the tech talent conundrum? What's more, how do software engineers and the IT industry fare with such widespread layoffs? (El-Deeb, A., 2023). The job market and the economy as a whole were severely harmed by COVID-19. Although things have lately gotten better, it is nevertheless helpful to track the labour market's changes and present and projected developments. Due to the viral crisis, a large number of people have lost their jobs and have had prolonged difficulty finding full-time employment. The IT sector is seeing a rise in hiring. The nature of the IT labour market in Eastern Europe is an issue that is raised by these discoveries about the worldwide labour market (Demeter, R., & Kovari, A., 2024).

3. RESEARCH GAPS

It is evident that, in light of the post-pandemic context, the prior study did not go further into the demands of the employee or the reasons for their job or company moving. The work-life balance has radically altered, and it is anticipated that this has also altered employee

demands. Any organisation that wants to sustain its success must survey its workforce to learn about their present requirements and develop a strategy for talent management and retention. These are the primary areas of attention for this study from an Indian standpoint.

4. RESEARCH OBJECTIVES

- i) To categorise the facts and figures on staff holding in software firms.
- ii) To identify the insights on staff retention strategies and the need.
- iii) To rank the top strategies deployed in the software firms.

5. RESEARCH METHODOLOGY

Several Indian cities hosted a pilot study. There has been an adoption of the random sampling approach. Around 200 software professionals from different Indian cities have received the structured questionnaire that has been produced. 169 people responded to the survey out of 200. The findings are analysed to provide new insights when the study methodology which includes a basic percentage analysis and the ranking method is used.

6. RESULTS SUMMARY

6.1 Percentage and Insight-Out Analysis

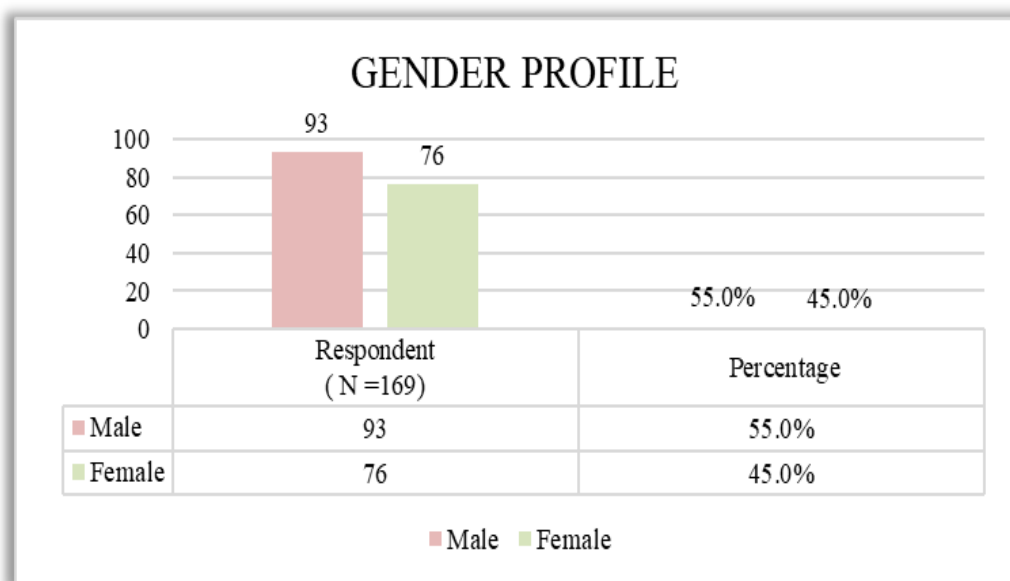


Figure 1- Respondent Gender Profile

Figure 1 indicates the Gender profile of the respondents 55% respondents were male whereas 45% respondents are female.

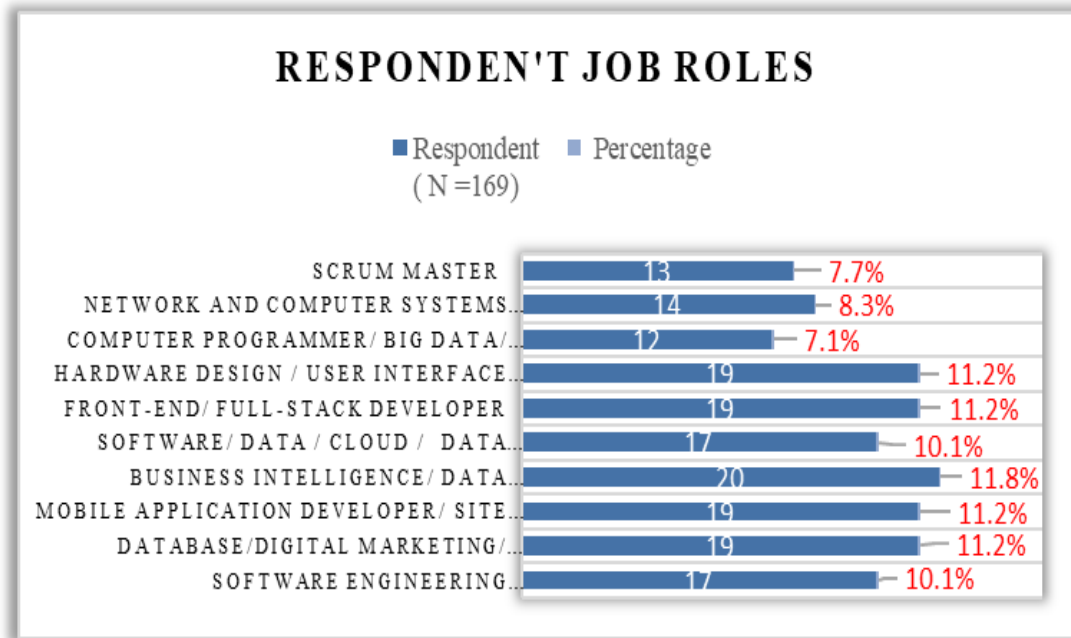


Figure 2- Respondent's Job Profile

Figure 2 indicates the job profile of the respondents 7.7% of respondents were scrum masters, 8.3% of respondents were network computer system administrators, 7.1% respondents were programmers or specialists, 11.2% of respondents were designers and 11.2% of respondents were software developers, 10.1% respondents were architect, whereas 11.8% respondents were analyst, 11.2% respondent were engineers involved in testing & development, whereas another 11.2% respondents were the manager in various domain such as data base, digital market and product development remaining 10.1% are software engineering and system security managers.

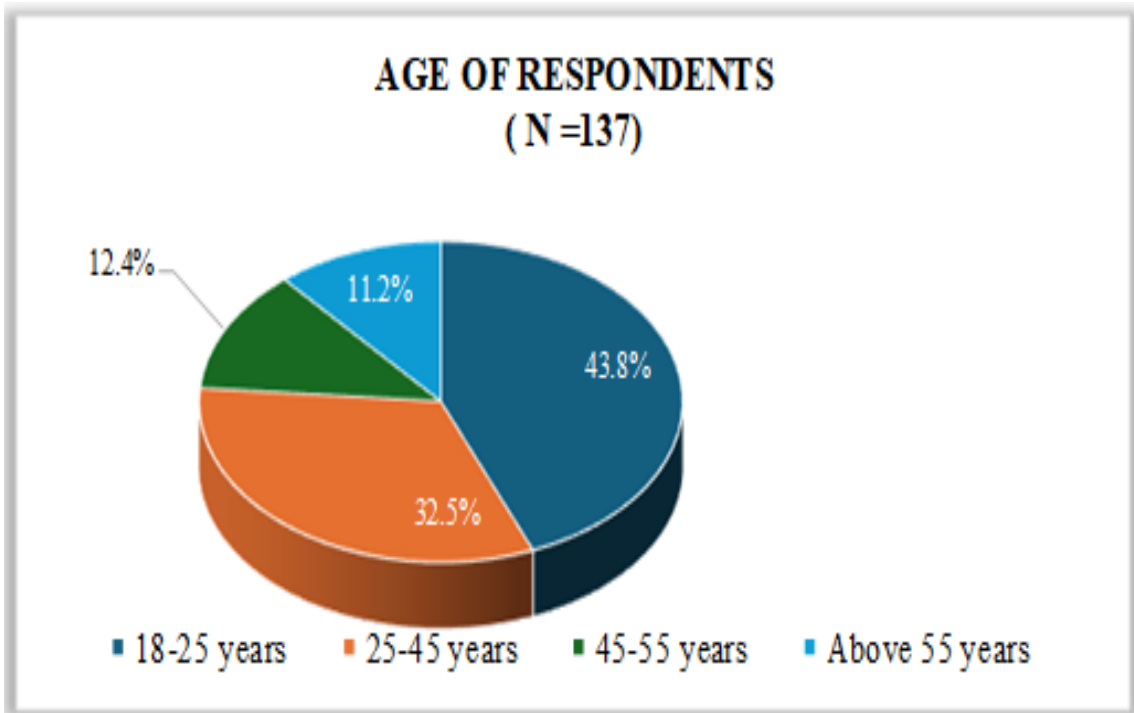


Figure 3 - Respondent age classification

Figure 3 shows the Respondent age classification. 43.8% of respondents fall under the 18 to 25 age group category whereas 32.5% of respondents fall under the 25 to 45 age group category and 12.4% of respondents fall under the 45 to 55 years age group category. However, 11.2% of respondents falls above 55 years age group.

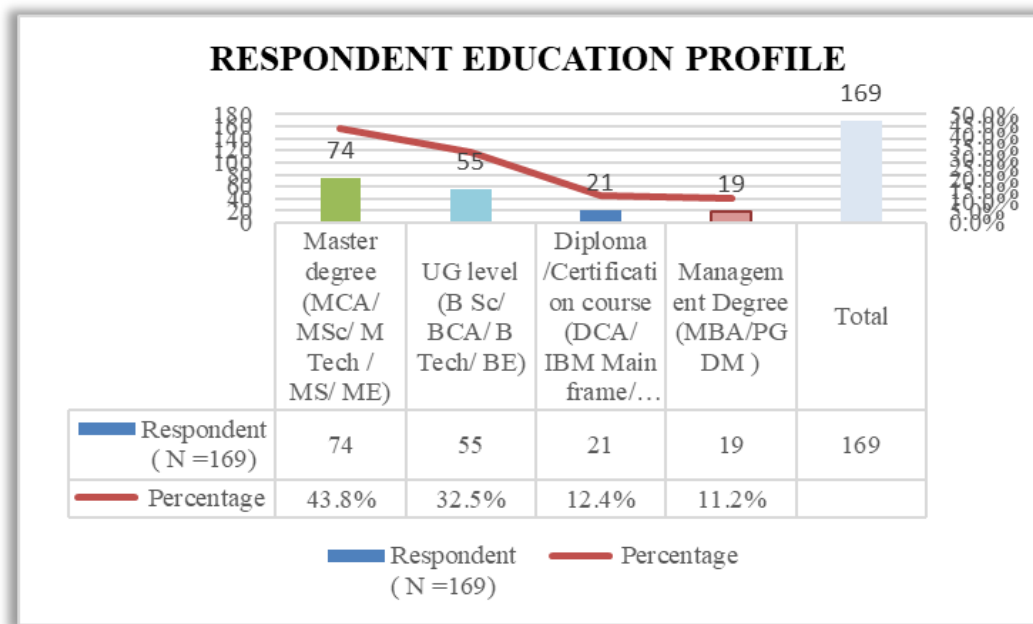


Figure 4 - Respondent education categorisation

Figure 4 represents the respondent education categorisation 43.8% percentage of respondents are master's degree holders, 32.5% of respondents are undergraduate degree holders, 12.4% of respondents hold diplomas or specialized certification courses whereas 11.2% of respondents hold Management degrees or diplomas.

Figure 5 indicates respondent business function classification. 22.5% of respondents work under Artificial intelligence / Data Science Analysis application, 22.5% of respondents work under Product software for a variety of ranges, 17.8% of respondents work under Handheld devices software / POS / Human-machine interface, 7.7% of respondents work under ERP / Banking / System application Soft wares, 9.5% of respondents work under Database management / Cloud computing / Service, 8.9% of respondents works under Network Communication / Cyber security application, 11.2% of respondents works under Gaming application.

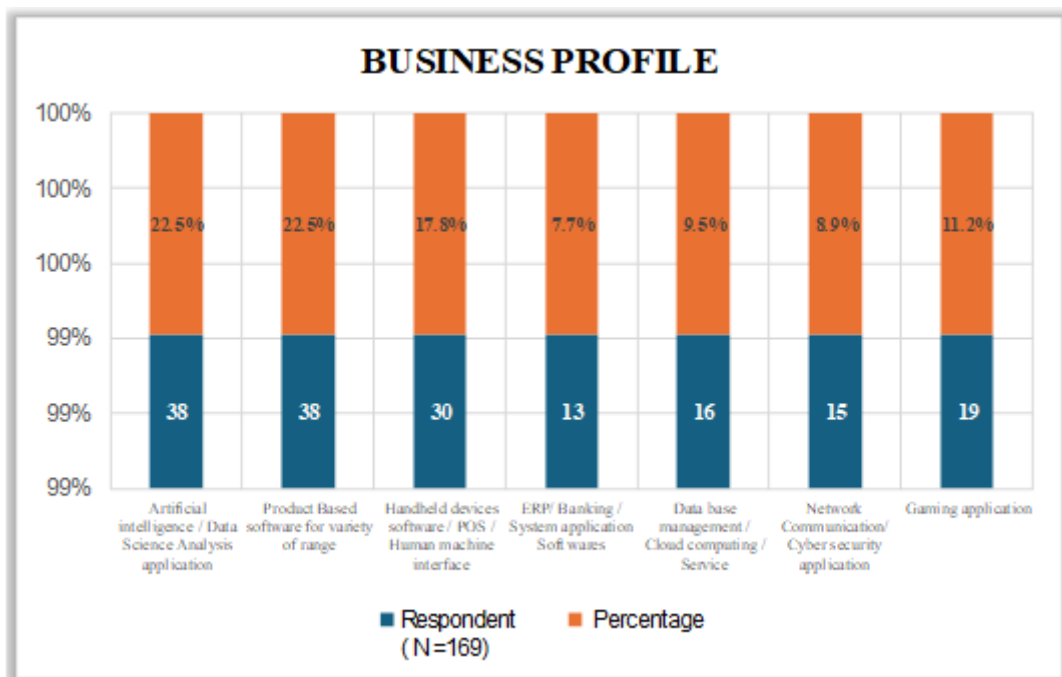


Figure 5 - Respondent Business Function Classification

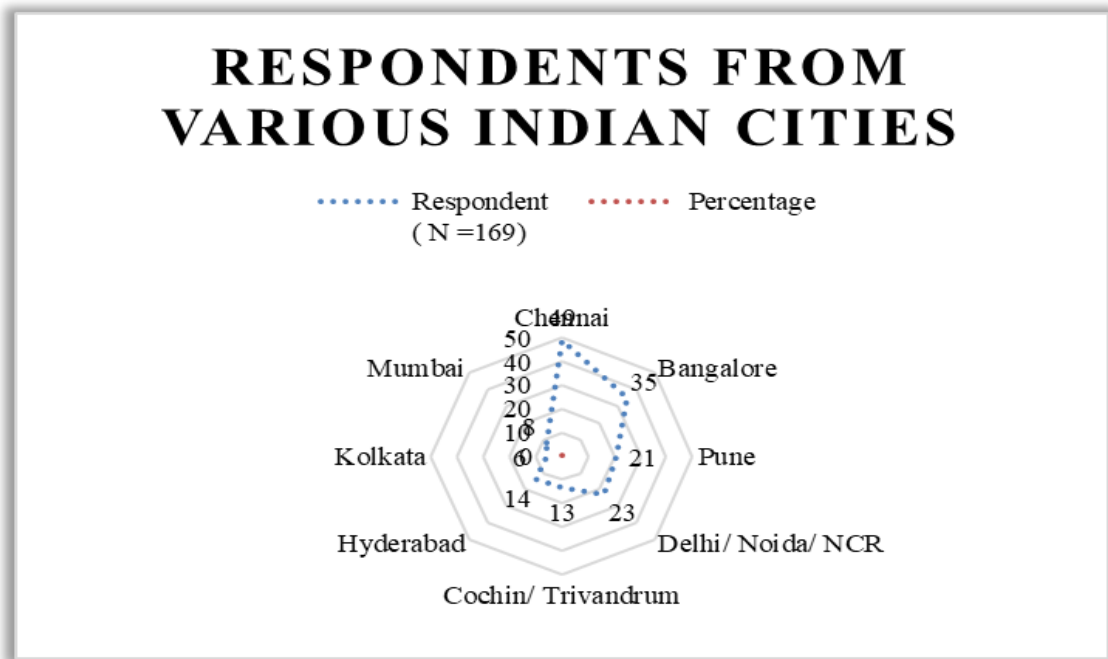


Figure 6 - Work Location Mapping of Respondents

Figure 6 indicates the work location mapping of Respondents. 29.0% of respondents work in Chennai, 20.7% of respondents work in Bangalore, 12.4% of respondents work in Pune, 13.6% of respondents work in Delhi, Noida national capital region, 7.7% of respondents work in Cochin & Trivandrum, 8.3% of respondents work in Hyderabad; 3.6% of respondents work in Kolkata, 4.7% of respondents work in Mumbai.

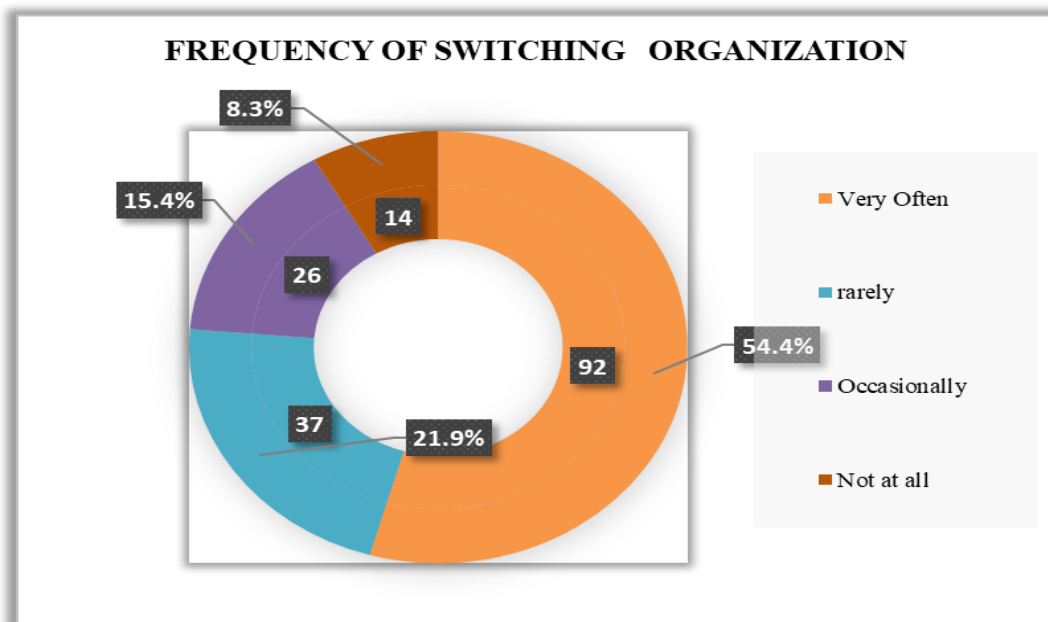


Figure 7 - Respondents Frequency of Switching Organization

Figure 7 represents the Respondents' frequency of Switching Organizations. 54.4% of respondents very often quit their jobs, 21.9% of respondents rarely quit their jobs, and 15.4% of respondents occasionally quit their jobs whereas 8.3% of respondents do not at all quit their jobs.

Figure 8 demonstrates why the Respondents are leaving their firms, 27.8% of respondents move out due to poor pay scale / presence of variable pay, 13% of respondents move out due to lack of opportunity or dry promotion, 10.1% of respondents move out due to work pressure / stringent target deadlines, whereas 30.2% of respondents move out due to lack of recognition in the organization, whereas 18.9% of respondents move out due to lack of work-life balance.



Figure 8 - Respondents Reason for Leaving the Firms

Table 1 - Ranking of Staff Withholding Policies

<i>Top Staff Withholding Policies in the Software Firms</i>	<i>Rank</i>
Day-care facilities for women employees and children inside the office	1
Sponsoring educational / higher studies opportunities while working	2
Adequate recognition / Awards	3
Consistent increment in salary every year	4
Encouraging Work from home / Working remotely	5
Timely promotion of functions and role	6
Flexible working times	7
providing Onsite / Abroad opportunities	8
Free cab/ Shuttle trip facilities for travelling from office to home	9
Bonus / Project Perks / Cash Remuneration	10
Monthly Outing / Picnic for mental relaxation	11
The clock Cafeteria / Canteen / Food facilities at the office	12

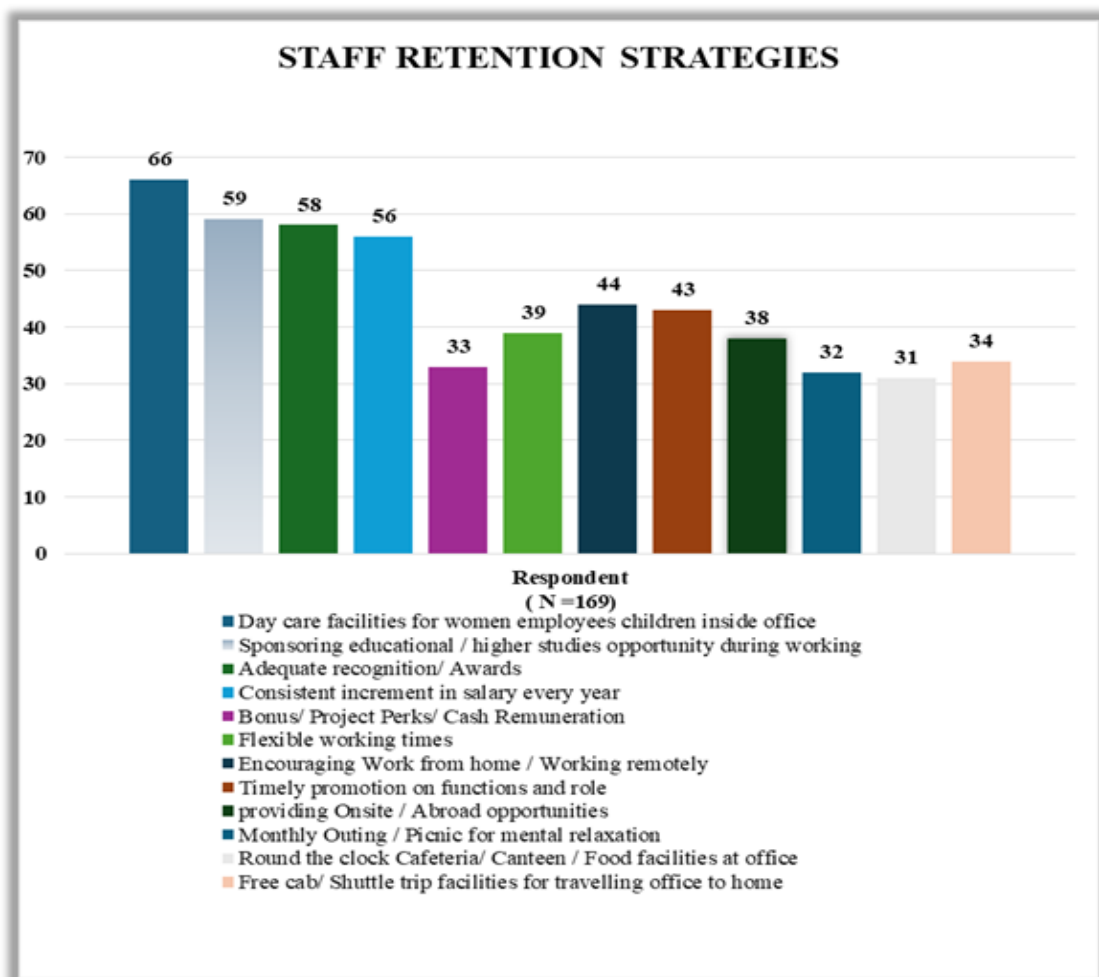


Figure 9 - Staff Retention Firm Strategies by Respondent

Table 1 indicates the Ranking of staff retention strategies and Figure 9 represents respondents' opinion in adopting the retention strategies.

7. DISCUSSION

Continuous investments in human capital are crucial for firms to maintain their inexpensive benefit and expand their skills in knowledge-based sectors. However, because human resources are movable, such investments pose a challenge for businesses. Another study suggests that intentional investments in enhancing general human capital can help organizations sustain high profitability and create exceptional skills. The study uses comprehensive project-level operational, financial, and human capital data from a large multinational corporation in the worldwide IT services market. It highlights the two kinds of capabilities - technological and business-domain capabilities - that are necessary for success in this field and offers empirical data to support the expenditures (Chatterjee, J., 2017). A second research looked at how comprehensive HRD practices affected employee desire to stay and organizational commitment (continuance, emotional, and normative commitment). It also looked at how organizational commitment affected employees' intentions to stay. The three elements of firm assurance & employee desire to stay are both positively impacted by HRD practices.

Additionally, it was shown that the association between employees' intentions to stay and continuous commitment was not substantial and was negative, with the exception of emotional and normative commitments (Uraon, R. S., 2018). In another study, ideas for cost-cutting measures were framed with an understanding of the rudiments that support staff holding in the numerous IT sector companies. Among the retention criteria considered for the study include employee loyalty to the businesses, a friendly work environment, career development training, performance reviews, and pay. Firms to succeed and survive, it is imperative that all members have a thorough awareness of these variables. These five criteria have a significant impact on an organization's rate of staff holding.

The study's findings demonstrated that an employee's devotion to the company is more significant and affects the professional retention rate in IT organizations (Sivarajan, R., & Babu, S., 2019). Employers invest a great deal of money in emerging & elevating exceptional workers, and keeping them on board's crucial responsibility. The study set out to investigate the specific maintenance aspects that elevated high-innovation personnel' authoritative responsibility. A maintenance factor estimate scale and the organizational commitment scale were administered.

Pay, job characteristics, employee support, and work/life balance tactics were the most relevant and logical factors, and they appeared to have an effect on the development of hierarchical responsibility in high innovation workers or representatives. Examined are the study's ramifications.

The study to assist firms in identifying staff retention tactics (Monica, D. B. S., & Reddy, M. G. S., 2020). Another research tackles the problem of determining the many chances that information technology organizations might benefit from through innovative training of human abilities. Leading firms need personnel, and the talents earned throughout innovation creation are sought to meet their needs. Utilizing the material at hand, a socio-formative method to analysis was used to determine the measurements and indicators used by highly innovative and efficient organizations. Determination of each organization conceptualizes innovation differently and pertaining to local conditions. Through a documentary analysis, the research demonstrated that firms has shared some commonalities, one of them being the strategic importance placed on developing human potential to foster novelty information society (Pastrana, B., & Tobón, S., 2020). Figure 10 represents the connection between prior and derivate works from 2005 to 2024.

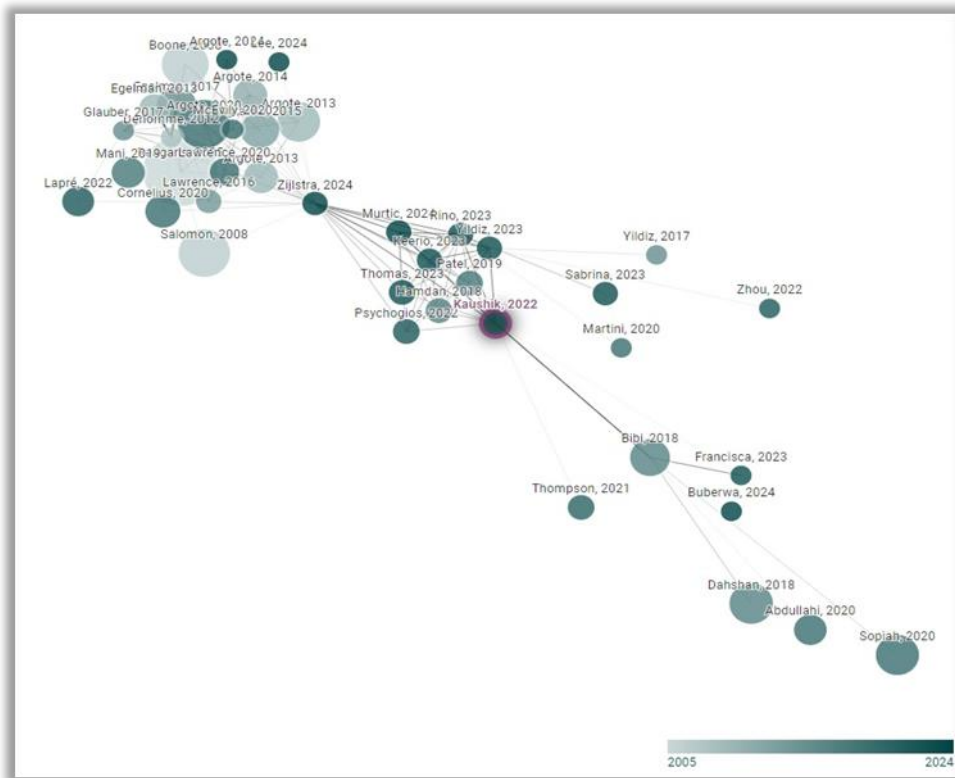


Figure 10 - Prior and Derivate Works from 2005 to 2024

The field of talent management is relatively new, having emerged mostly in the late 1990s and early 2000s alongside human resource management. This field has been there for more than 20 years. Nevertheless, there is still a lot of misunderstanding while to distinguishing the terminology from HR. It has recently been discovered that the fact that different writers have defined and discussed talent management at different points in time makes it difficult to sum up in a single sentence. Since talent management is a recently emerging area in the modern period, it is not only focused on increasing the firm's competence and flexibility; it will also offer tools and information about the firm's growth, managing change, obtaining resources, and unique ideas to produce new services and products (Pirzada, Z. A., Mahar, S. A., Diou, N. A., Memon, T., & Shah, W., 2021). A further study prompted an increase in the demand for details on the hiring practices used by IT firms for available vacancies. The determination for hard and soft talents are more important to IT organizations.

Method used to conduct a high-level study on the kinds of hard talents that are more in demand, by means of open card sorting. Additionally, the most often reported soft abilities were personally examined. According to the results, programming languages are the hardest talents in demand. The most in-demand soft skills are problem-solving, teamwork, and communication. Developers are advised to arrange their resumes in agreement with the roles seeking. Additionally, it emphasizes the value of soft skills, apprehension to a wide range of career paths (Montandon, J. E., Politowski, C., Silva, L. L., Valente, M. T., Petrillo, F., & Guéhéneuc, Y. G., 2021). Research findings on the variables impacting AI-human cooperation and its effect on company success are, nonetheless, few. In order to close this knowledge gap, this paper develops and validates a novel theoretical model that looks at the relationships between knowledge sharing, employees' AI skills, trust, and role clarity in a collaborative working environment to improve business performance. It does this by drawing on the knowledge-based view (KBV), socio-technical systems (STS), and organizational socialization framework (OSF).

Additional research will yield main data and tactics that managers and the AI community may use to build collaborative intelligence capabilities within their organizations (Chowdhury, S., Budhwar, P., Dey, P. K., Joel-Edgar, S., & Abadie, A., 2022). In the IT industry, an effort has been made to attract attention to the advantages and disadvantages of employee turnover. Given the terrible conditions the world is in, gifted people have a plethora of possibilities to use their skills, talents, and abilities. When given an equal opportunity, workers start switching between companies. These days, because of its negative impact on

workplace morale, profitability, productivity, and achieving deadlines for hierarchical objectives, staff attrition is considered the foremost reason of conflict in all firms. Any form of attrition is traditionally considered to be costly. Additionally, depending on how it operates, an organization can only benefit from employee turnover in certain situations (Vira, J., & Jacob, P., 2023). Organizational culture, individual characteristics, and the work discipline of the firm all affect how satisfied and productive an employee is. Another study examines the affiliation flanked by these three variables and employee happiness in the setting of IT organizations.

In information technology companies, job gratification is a foremost problem that pays for a higher labour turnover rate. The report emphasizes how important it is for IT firms to comprehend the factors influencing employee happiness. Up until now, not much is known about the differences in job satisfaction among workers in the information technology field, which would improve knowledge in this specific field of expertise. The purpose of the survey was to determine what large IT businesses' workers needed in terms of job satisfaction. The study aids in understanding staff preferences and issues. Managers who understand the value of job happiness may foster an atmosphere that inspires and involves workers, improving output, lowering attrition, and improving performance. (Singhal, D., & Salunkhe, H. A., 2024).

8. CONCLUSION

It is now clear that the workforce powers information technology and the software companies that power it. The profitability of the company will thus increase if their well-being and work-life balance are prioritised. Maintaining the employee will assist the company in keeping up its level of performance and competitiveness. The primary focus of this exercise is the impression of staff administration and holding policies in software companies. The study also examines respondent opinions and the necessity of working certain hours, as well as the organization's intention to provide benefits and facilities that will keep employees happy and ensure business profitability. More research in this area may focus on finding the most economical approach to progress staff well-being and motivate them to work for the firm for an extended period of time by establishing a win-win scenario for the company and its employees. The findings highlight the fact of robust and accurate correlation between staff holding and increasing the organization's profit, and that attending to employee demands will enhance business performance. Nevertheless, the findings are exclusive to this research and can occasionally differ for different areas, nations, or continents.

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