

# Role of Talent Management in Achieving Hospital Excellence

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## Abstract

In the present age, the dynamic nature of human resource management puts the challenge of sustainability of organizations, mostly in healthcare sector. In this context, the present study is a small step towards checking cause-effect relationship between talent management and organizational excellence of healthcare segment. Primary data was collected from 142 hospital members including both doctors and paramedical staff through a well-designed survey instrument at Bhubaneswar city of India, and then analyzed by stepwise regression models. Results showed that talent attraction, retention and learning & development programs play major role in creating sustainable competitive organizational performance of hospitals.

**Keywords:** organizational performance, learning & development, talent retention, talent attraction, healthcare

## I. INTRODUCTION

In terms of employment and revenue, healthcare is leading and expanding day by day. This is the reason for which there is a huge demand of qualified & talented workers in this sector. To deal with challenges such as rising cost, quality control, new technologies, change of living standard, rise of population, focus on quality service, healthcare reforms and shortage of talented professional in hospitals always give priority to the term 'talent management'. Human asset is always the treasure of a progressive organization. A well-built and equipped hospital will not achieve its optimum excellence until and unless the qualified/skilled human resource is properly managed. So, talented human resource is always an advantage for an organization which can utilize its talent for its growth (Fitz Enz, 2009; Hitt & Ireland, 2002). If a system or method is not suitable to create innovative conditions conducive towards creative capacities, the growth of an organisation is limited (Cheryl Zipay Kirby, 2012). Many studies have revealed that in absence of talent management practices, hospitals show with low retention rate, employee

dissatisfaction, less organization involvement, low service quality, lack of patient satisfaction etc, indicate the According to Sail Seth (2014) health sectors need to spend more time and effort to attract, recruit, and engage talent for creating such environment that drives an organization to show better results.

Talented are those individuals who "brings differences in organisational performance through their instant input or signifying the highest levels of potential in long-term too (Tansley et al. 2007)". In health sector, talent management executes at two extremes, at one point all the operative actions are done to fill short-term goals or gaps at one extreme and more strategic and important objectives at the other end. Talent Management is referred as the "practice of attraction, recruitment, management, development and retention of talented professional who contribute their expertise and competence to achieve organizational excellence". To achieve this ultimate objective of an organization, the right people need to be placed in right position with accurate talent at right time. In addition to this, a purposeful and rational work force planning and

method of talent management are also required in a healthcare organization.

Due to growing demand of healthcare, talent management strategy will be proved as the best approach to select, retain talent and encourage the staff to deliver high quality services in hospitals. Limited budget & regulation restrictions though put a hindrance to build a high performing workforce but an effective talent management approach will definitely facilitate organizational excellence in hospital sectors. Attraction and retention of talent and learning & development process will be the deciding factors for overall performance of hospitals. The present study aims to get an empirical and logical support for this kind of causal relationship.

## II. REVIEW OF LITERATURE

Health sector is essential for the development of society as a whole. Hospital services as one of the components of medical care services in India has shown a definitive upswing along with economic growth in last decade. ReemAbiAbdallah viewed that in today's competitive and demanding economic environment, an organization's success hinges upon the existing talent pool and retaining them across all the organizational levels. A number of management tactics are utilized to attract talented people, to place them in the right positions, and to keep them within the organization for as long as possible. Expenditure in the hospital management is growing faster than G.D.P. which is leading to distribution problems at present.

According to Charles Goretsky (2012) healthcare is experiencing growth and strength which needs to prove its importance among other sectors in today's fiscal environment. There is increasing demand of consumer which brings a wide range of revenue brook and sources. The objectives of this sector are improving health status by saving more lives in the community. So, it is essential to improve the efficiency and success of the healthcare workforce for organizational success. The important part of the talent strategy are development, retention and

attraction of talent in healthcare organizations. Definitely, there is a need of more effective and efficient workforce management to execute successfully such strategies making it different and unique in the healthcare marketplace. The enriched talent management program in a healthcare setting provides an opportunity to establish them from in the existing competition. Through the integration of talent management processes with data, structured business configuration, procedure and outcome, HR helps the organizations to show greater maturity than other industries.

Talent is important for "solving many problems, getting more knowledge, opening new strategies and preserving the organizational culture and getting ready for the future too". Organizational development not only focus on human resource but also indicates the changes to be done for the required parts of the organization structure. According to Alka Prasad, one of the most challenging tasks of an organization is 'talent management' as it is a crucial part in organization development. The success and failure of an organization largely depends upon its employees' skill/talents. The outcomes of talent management determine the nature of organizational development. Recruitment and retention of talent is possible by developing a supportive atmosphere inside the organisation. Hence, every organization requires to creating a healthy environment to keep the talented staff for organizational development & excellence. The exiting status of talent management process is important for the success of an organization as it detects its strengths & weaknesses, take steps to improve & overcome weak points and boost the talent management system by using maximum of its talent & skill.

In view of Catherine J. Rezak the best talent leaders understand their responsibilities and focus on 'attracting employee by sourcing', 'hiring and on boarding new employees', 'fetching and developing their talent', 'retaining existing employees', and finally 'transitioning employees by assigning more responsibilities.

In any organization the main function starts with hiring the accurate employees in the right place. Jim Collins says that big organizations develop corporate culture to find and promote disciplined people. Sometimes, the true employees are often indefinable particularly in the healthcare industry. Here, managers need to grasp the responsibility of getting the appropriate workforce for the organization. They need to attain important processes like attraction of talent, 'tracking them and finally hiring the best. But, keeping good healthcare employees has never been so cool task for managers. Managers also need to clinch and exhibit skill in three key retention principles, 'managing, engaging and developing employees. Industries always depend on its talent force to trigger performance. Competition for skilled workers is growing very fast, due to a large number of notifications in websites for health care jobs. Organizations have to use best methods to draw and keep talent in order to beat the competition. As per the view of Chris Phillips (2008) "talent management is a set of complex and combined HR procedures to make sure that it has obtained appropriate workforce, assigning with suitable responsibilities and performing the needful actions for better organization performance". Victor Oladapo (2014) revealed that it is not the job security, compensation and opportunity for advancement retains employee rather the management has to develop a stable and long-term talent management strategies to gain competitive advantage through attraction, selection or appointment, retention of talent through learning and developmental programs in the organisation.

To gain competitive advantage and excellence of the organization, talent management is considered as an influential weapon. The findings of HJ Irtaimah, Azzam JF Al and AA Khaddam (2016) showed that the talent management tactics have positive, strong and powerful effect on both service quality and satisfaction of receivers in the hospital set-up. Healthcare institutions face many challenges for retaining their talents to satisfy the needs of their

receiver that is an important measure to check the success of hospitals' performance. It is concluded that not only service quality but also talent management policies have strong impact on the satisfaction of its receivers. The researchers justified that all healthcare management providers must support their human resources and their potential to achieve the strategic goals of an organisation. Research by Parvaneh Rastgoo (2016) also found the influence of talent management on organizational development and job motivation of workers. James Sunday Kehinde (2012) also showed the strong connection between talent management and the overall performance of an organization.

The study of Maya M. & R. Thamilselvan (2013) pointed out the importance of talent management practices in improvement in performance of employees and organisational efficacy. In this financial competitive world management must think of continuous investment in human resource. Both the HR managers and senior management work together to invite, select, hire, retain and simultaneously develop talent in the organization. But in reality, due to huge competition in healthcare, there is scarcity of skilled employees and for this reason this unit is facing socio economic and cultural challenges. The study of Dr. Grace Ngozi Ekpunobi, (2015) founded that talent management significantly improves organisation's performances. This research suggested that service sectors should continuously develop the quality strategies to manage their talent through accurate recruitment, efforts on retention of talent, and good developmental programs for achieving excellence in hospitals. Ms. Saloni Devi (2017), observed that organizational performance is very much decided by talent management strategies. She also disclosed that employee engagement moderates this relationship. Talent management has been found to be vital for modern organizations so far due to arrival of modern economy, entry of new generations and heavy competition. Organisations are searching for smart techniques to manage its reserve and human assets. Investigation of Ali Chitsaz Isfahani and Hamid

Reza Boustani (2014) observed the effects of talent management on employee's retention and conviction of the organization. They detected the existence of link within talent management, employee preservation and organizational trust. Dr. Bader Yousef Obeidat, Haneen Yassin Raed Masadeh (2018) suggested that to nurture and sustain talent, hospitals must implement talent management strategies due to close association between the dimensions of talent administration (attract, maintain and develop) and organizational effectiveness (job satisfaction, and organizational involvement).

Shao Yunfei and Muhammad Imran Hanif (2013) revealed that talent management is an important part of HR plan. They concluded that engagement of employees can be improved in organizational set-up through career development plans, effective leadership, interpersonal creativity, accurate training, and development proposal, and employee motivation. In healthcare organizations talent management practices play crucial role in talent possession for its excellence. The talent management strategies like recruitment, performance appraisal, training, succession planning, career development, and employer branding are very important for improvement of performance. There is strong impact of talent management strategies on competence of employees and productivity of the organization. R. V. Dhanalakshmi and Dr K Balanaga Gurunathan (2014) studied that the execution of talent management plan determines its appropriate employee engagement and better organisational performance.

The findings of Auranzeb & Sana Arz Bhutto (2016), proposed that HR directors should plan talent management scheme for all type of employees within organization for talent attraction, retention, learning and career developmental programs. According to Salameh Al Lozi Musa, Reham Zuhier Qasim Almomani & Sulieman Ibraheem Shelash Al Hawary (2017), the organizational excellence is influenced by the talent management procedure of an organization. Their investigation

suggested that talent management strategies like recruiting, developing, retaining talent and succession strategy or career planning have great impact on the three dimensions of organizational performance or excellence: leadership, service delivery and operations management.

### III. RESEARCH METHOD AND DESIGN

The current research study was primarily based on survey research and exploratory in nature. Primary data were collected through one tailor-made questionnaire from doctors and paramedical staff of two major private hospitals situated at Bhubaneswar city of India. Convenience and judgmental methods of sampling were adopted to choose the final respondents. The study sample comprises of 142 numbers of regular employees covering different grades and of different departments. Although Initially 250 numbers of employees were planned to consider, because of the less access, reluctance of the employees to provide data, and budgetary constraints restricted the sample size to 142. In pilot survey, the research instrument first got tested with respect to its reliability and validity of all measurement items. A well-structured, questionnaire having validity and reliability, was developed to accumulate the responses. All the items of the questionnaire were finally decided based on expert opinion and few items were also derived from tested survey instruments (Rita Kagwiria Lyria, 2014). The present study contains two major research constructs, namely, talent management (TM) and organizational (hospital) performance (OP). Three dimensions of talent management- talent attraction (TA), talent retention (TR) and learning & development (LD) were taken for analysis. All the items were found to have significant factor loadings in their respective constructs, as verified in confirmatory factor analysis (CFA). All the responses were collected in five-point Likert scale form. To examine the presence of causality between TM and OP hierarchical regression analysis was employed.

### IV. RESULTS AND DISCUSSIONS

After collecting all the responses through field survey, data got edited and transferred to SPSS-22 software package. Then process of data validation was applied to discard the mostly deviated data records. Finally, 142 records were considered to be analyzed by stepwise or hierarchical regression analysis to explore the causality between TM and OP. All the responses were first got averaged in their respective constructs and then analyzed.

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.646 <sup>a</sup>	.417	.413	.58309
2	.691 <sup>b</sup>	.477	.469	.55438
3	.748 <sup>c</sup>	.559	.550	.51072
a. Predictors: (Constant), TA_Avg				
b. Predictors: (Constant), TA_Avg, TR_Avg				
c. Predictors: (Constant), TA_Avg, TR_Avg, LD_Avg				

As per the table 1, there were three model outputs of stepwise regression analysis, namely, model 1, 2 and 3. In model 1 only average values of talent attraction was treated as explanatory variable data creating an effect on average values of organizational performances. In next step, model 2 was created having talent attraction and talent retention as regressors. Finally, in model 3, variables- learning & development were added. In comparison to models 1 and 2, in model 3 the value of coefficient of determination (R<sup>2</sup>) was higher (0.559).

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	33.594	1	33.594	98.806	.000 <sup>b</sup>
	Residual	46.920	138	.340		
	Total	80.514	139			
2	Regression	38.409	2	19.204	62.486	.000 <sup>b</sup>
	Residual	42.105	137	.307		
	Total	80.514	139			
3	Regression	45.040	3	15.013	57.560	.000 <sup>b</sup>
	Residual	35.473	136	.261		
	Total	80.514	139			
a. Predictors: (Constant), TA_Avg						
b. Predictors: (Constant), TA_Avg, TR_Avg						
c. Predictors: (Constant), TA_Avg, TR_Avg, LD_Avg						
d. Dependent Variable: OP_Avg						

As seen in table 2, the overall fitness of all the derived models was good and significant (p < 0.01). It means there survives significant combined

contribution of all explanatory variables in creating variance of organizational performance of hospitals. With respect to table 3, it was clearly inferred that except talent retention (p > 0.05), other two regressors were having significant effect on overall performance of hospitals. Hence, talent retention is not a causal factor of organizational performance, rather attracting better talents and creating learning & development environment for them may result in improved performance of hospitals.

Model		Unstandardized Coefficients		Standardized Coefficients	T	Sig.
		B	Std. Error	Beta		
1	(Constant)	1.098	.279		3.931	.000
	TA_Avg	.685	.069	.646	9.940	.000
2	(Constant)	.850	.273		3.116	.002
	TA_Avg	.244	.129	.230	1.885	.062
	TR_Avg	.510	.129	.483	3.958	.000
3	(Constant)	.401	.267		1.503	.135
	TA_Avg	.241	.119	.227	2.023	.045
	TR_Avg	-.029	.160	-.027	-.181	.857
	LD_Avg	.652	.129	.587	5.042	.000

a. Dependent Variable: OP Avg

## V. MANAGERIAL IMPLICATIONS

Talent Management which is an integrated part of HR processes, can attract and retain productive, develop and motivate efficient workforce, and also engage talent. All these practices of talent management are helpful to improve organizational performance, and sustain to meet the strategic goals and purposes of the organization. In this light, the current study examined the relationship of talent management with hospital's overall performances. From this study, it was revealed that among all the important aspects of talent management, talent retention has no role in variance creation related to organizational performances, sustainability of employees in long run in one hospital is of less concern for policy makers in healthcare sector. However, lack of talent retention may lead to other problems like, low degree of employee trust and commitment, which in turn creates lesser productivity.

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