# Enhancing Employee Engagement and Retention in the Steel Industry: The Role of Talent Management Practices

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*Abstract*

*The purpose of this study is to ascertain the connections between employee engagement, employee retention, and talent management practices (managerial assistance, employee career development, and rewards and recognitions) in an established steel plant. An analysis with a quantitative approach is used. There was a questionnaire used as the research tool. For this study, a random sample strategy was applied. Questionnaires were used to gather responses. The statistical tool SPSS was initially used to analyze the collected data. A quantitative survey with twenty-four questions that were scored on a five-point Likert scale from strongly disagree to strongly agree was conducted. Regression and factor analysis have been used to analyze data. The results of a linear regression study show that employee engagement and retention are positively impacted by talent management strategies, such as career development opportunities for employees, managerial support, and rewards and recognition.*

*Keywords: Employee engagement, employee retention, Talent management, Career development, Rewards & recognition.*

## Introduction

According to Oakes (2008), talent management is the new "silver bullet," and according to Heinen & O'Neill (2004), talent management techniques can produce "the most enduring competitive advantage." Talent management can be defined in a variety of ways. Creelman (2004) argues that the best way to conceptualize talent management is as a philosophy that centers talent inside successful organizations. As someone who works in organizational development and human resources (OD/HR), I can vouch for the fact that it involves integrating HR practices meant to attract and retain qualified people at the appropriate time. It means that leaders must assume accountability for foreseeing ahead of time the capabilities that an organization will require and collaborating closely with OD/HR practitioners to translate this vision into practical approaches to luring and keeping people.

Identifying and developing high potential people and emerging leaders is and will continue to be one of the top business concerns facing CEOs, according to more recent research by John Matton and Bonnie Hagemann that was published by Pearson in 2011 (Mattone & Xavier, 2013). The scope of talent management is best addressed globally, with the primary focus being on top leadership succession (Tarique & Schuler, 2010).

## Literature Review

A prior study on talent management practices and the connection between employee retention and engagement was conducted by researchers. The purpose of this study is to investigate the effects of talent management strategies on staff engagement and retention at SAIL's Rourkela Steel Plant-A unit. This chapter also covers the theoretical and practical aspects of employee engagement, retention, and talent management. The results of earlier studies, current

publications, and theories will be used to identify a snapshot of an organization's financial difficulties.

## Talent Management

Organisations must adapt to environmental change, grow, and achieve higher levels of productivity in today's dynamic and ever-changing world. In order to achieve growth and transformation, organisations must continue to produce goods and services, methods and procedures, and raise market innovation in order to choose the best location for their goals (Cypran and Sen, 2009). Many definitions of talent management have been provided by academic sites; nonetheless, they all refer to the same broad idea. Here are a few of these definitions: These days, talent management is strategically important as a methodical process aimed at leadership roles and substantial ongoing personal growth.

## Employee Retention

Employee retention is one of the main issues facing many businesses today. Many organisations see retention as a strategic opportunity to keep their staff competitive (De Long & Davenport, 2003; Schramm, 2006). Many vice presidents of HR are always considering options and opportunities in order to draw in and keep a talented staff (Kaliprasad, 2006). When workers are given pay and benefits, work in an environment that fosters advancement, and can manage their personal and professional lives, retention rates increase (Messmer, 2006). It's practically a cliché to talk about "the war for talent." In response, the consulting sector has produced a vast array of papers, conferences, and research projects. Numerous papers discuss retention tactics used by organisations; nevertheless, talent management is frequently cited by authors as being essential to both employee engagement and retention strategy (Deery, 2008; Hughes, 2008; Bhatnagar, 2007). In addition to recruitment, staff retention is a key component of the talent wars. According to human resource directors in the UK who are extremely worried about losing employees in 2013 since workers frequently move organisations in search of better benefits, and

businesses frequently wait to implement retention techniques until they begin to get resignations (Whitehead, 2013).

## Employee Engagement

Workers leave because they find their current employment offer—which consists of a mix of tangibles (pay and benefits) and intangibles (supervisor relationship, work/life balance, work content, career path, and trust in senior management)—unsatisfactory. They also leave because they have the option to join another company, where the offer is probably better (Kaliprasad, 2006). Senior team members look to HR for solutions when issues arise with hiring and retaining talent. This is a formidable challenge for HR personnel. The HR industry has historically been structured around specialised niches. In order to address retention issues, compensation experts concentrate on stock options, incentive pay, market equity, and retention bonuses. In a similar vein, a benefits specialist will emphasise the significance of effectively and smoothly conveyed flexible benefit schemes. Employee engagement is higher and attrition is lower when talent management strategies show a dedication to managing human resources (Corporate Leadership Council,2004). Employee engagement should benefit from an organization's talent management strategy in addition to helping with effective execution (Piansoongnern et al., 2011). It is obvious that businesses with a competitive edge will be those who can fully engage their workforce through people management practices (Yapp, 2009). An essential element of employee engagement is the manager's role. Their backing makes it possible for workers to be dedicated to their work and the company. In order to engage and retain people, managers play a crucial role in the practice of successful talent management . Moreover, managers must foster an atmosphere where workers are more enthusiastic about their work and display the behaviours that businesses need to improve outcomes for both the businesses and the workers themselves (Piansoongnern et al., 2011). In order to engage

employee talent, managerial support is therefore a critical determinant of talent management strategy.
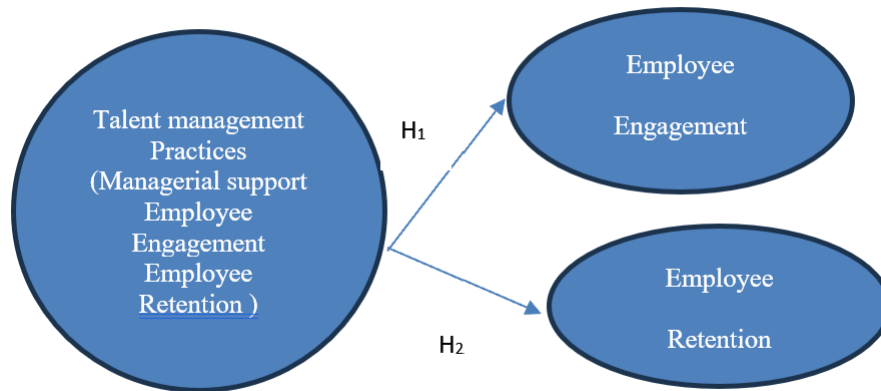
## Objective of the study

- To ascertain how employee engagement is affected by talent management strategies.
- To ascertain how employee retention is affected by talent management strategies.

## Hypothesis

H1:-Talent management practices have positive impact on employee retention.

H2:-Talent management practices have positive impact on employee engagement.

## Figure – 1 : Proposed Model



## Research Methodology

Descriptive research has been conducted for this particular objective. For this study, a simple random approach was employed. In this instance, the sample universe consists of Rourkela Steel Plant executives. Owing to unforeseen circumstances, 150 executives received a structural questionnaire; 115 of them replied. Thus, it displays a 76.66% response rate.

To evaluate the effect of talent management strategies on employee engagement and retention at RSP, both primary and secondary data were gathered. Through social media, the CEOs have been made aware of the organized questionnaire. A 5-point Likert scale was employed, and the questions were closed-ended. We

employed the Likert scale. One represented Strongly Disagree, two disagree, three neither agree nor disagree, four agree, and five strongly agreed on the Likert scale.

MS Office Excel 2017 and the statistical package of IBM SPSS v 20 were utilized to evaluate the data that had been gathered. Reliability tests, factor analyses, and linear regressions were among the statistical computations utilized for data interpretation in compliance with the project requirements.

## Data Analysis: Reliability Test

Cronbach's Alpha is 0.873, which indicates a high level of internal consistency for the scale used with the specific sample.

## Table 1- Reliability Statistics

| Cronbach's Alpha | N of Items |
|:---:|:---:|
| .873 | 18 |

**Table 2 - Factor Analysis**

KMO and Bartlett's Test

| | | |
|---|---|---|
| Kaiser Meyer - Olkin Measure of Sampling Adequecy | | 0.795 |
| | Approx Chi-Square | 476.561 |
| Bartlett's Test of Sphericity | Df | 153 |
| | Sig. | .000 |

The data is appropriate for factor analysis because the Kaiser-Meyer-Olkin value is 0.795 (KMO>0.6).Similar to the Bartlett's test, which evaluates correlation conditions, the null hypothesis is rejected because the sis. Value is 0.000(<0.05), indicating that there is a correlation between the variables. Additionally, in factor analysis, a correlation value larger than 0.3 is regarded as superior. In this instance, the bulk of the correlation values are deemed superior because they are more than 0.3. In summary, factor analysis performs well on both the KMO and Bartlett's tests.

**Table 3 - Total Variance Explained**

| Component | Extraction Sums of Squared Loading | | | Rotation Sums of Squared Loadings | | |
|---|---|---|---|---|---|---|
| | Total | % of Variance | Cumulative % | Total | % of Variance | Cumulative % |
| 1 | 6.069 | 33.715 | 33.715 | 3.574 | 19.855 | 19.855 |
| 2 | 2.785 | 15.471 | 49.186 | 3.494 | 19.412 | 39.266 |
| 3 | 1.539 | 8.548 | 57.734 | 3.324 | 18.468 | 57.734 |

**Extraction Method: Principal component analysis**

Three new factors were created from the original 20 variables by SPSS. There is 57.734% cumulative percentage. It appears to be good since it explains more than half of the data.

**Table 4 shows Rotated Component Matrix ᵃ**

Extraction Method: Principal Component Analysis.

Rotation Method: Varimax with Kaiser Normalization.

a. Rotation converged in 5 iterations.

Here all talent management practices are coming under factor 1 and Employee retention and employee engagement factors are coming under factor 2 and factor 3 respectively.

**Table 4 - Rotated Component Matrix [a]**

| | Component | | |
|---|---|---|---|
| | 1 | 2 | 3 |
| J | .756 | | |
| K | .737 | | |
| O | .731 | | |
| L | .677 | | |
| M | .674 | | |
| N | .634 | | |
| B | | | |
| G | | | |
| E | | .756 | |
| C | | .733 | |
| A | | .712 | |
| U | | .700 | |
| V | | .696 | |
| W | | | |
| Y | | | |
| H | | | |
| P | | | .830 |
| S | | | .780 |
| | | | .745 |
| | | | .689 |
| | | | .503 |

**Table 5: Component Transformation Matrix**

| Component | 1 | 2 | 3 |
|---|---|---|---|
| 1 | .642 | .648 | .410 |
| 2 | -.365 | -.212 | .907 |
| 3 | .674 | -.732 | .101 |

Extraction Method: Principal Component Analysis.

Rotation Method: Varimax with Kaiser Normalization

Two regression analyses are conducted based on two hypotheses: one aims to confirm the impact of talent management methods on employee retention, while the other investigates the impact of talent management on employee engagement. Thus, the impact of talent management methods on employee retention is explained by the first regression.

**Regression (Employee Retention)**

**Table 6: Model Summary – Employee Retention**

| Model | R | R Square | Adjusted R Square | Std. Error of the Estimate | Durbin- Watson |
|---|---|---|---|---|---|
| 1 | .602[a] | .563 | .340 | .56938 | 1.984 |

a.Predictors: (Constant), Factor1

b.Dependent Variable: Factor2

The R square has a value of.563.It has a model fit percentage of 56.3%. If expressed differently, the movement is 56.3%. It shows that the selected factors

contribute 56.3% of the total, with the remaining parts making up the remainder. Thus, it is clear that talent management techniques aid in employee retention, but employee retention is influenced by a variety of other aspects as well. Other factors are still quite important, though.

**ANOVA Analysis**

**Table 7: ANOVA – Employee Retention**

| Model | | Sum of Squares | df | Mean Square | F | Sig. |
|---|---|---|---|---|---|---|
| 1 | Regression | 10.341 | 1 | 5.171 | 15.949 | .000[b] |
| | Residual | 18.155 | 56 | .324 | | |
| | Total | 28.496 | 57 | | | |

a .Dependent Variable: Factor2

b. Predictors: (Constant), Factor1

As the sig value is less than 0.05. Hence it shows that there is statistically difference between the mean of the variables.

**Variables in the regression**

**Table 8: Coefficients – Employee Retention**

| Model | Unstandardized Coefficients | | Standardized Coefficients | t | Sig. |
|---|---|---|---|---|---|
| | B | Std. Error | Beta | | |
| (Constant) | .978 | .517 | | 1.892 | .064 |
| Factor 1 | .445 | .097 | .501 | 4.588 | .000 |

**a.** Dependent Variable: Factor2

**Regression Analysis (Employee Engagement)**

**Table 9 - Model Summary – Employee Engagement**

| Model | R | R Square | Adjusted R Square | Std. Error of the Estimate | Durbin-Watson |
|---|---|---|---|---|---|
| 1 | .768[a] | .653 | .577 | .85293 | 2.108 |

a. Predictors: (Constant), Factor1
b. Dependent Variable: Factor3

The value of the R Square is.653.It indicates a 65.3% fit for the model. Stated otherwise, the movement is 65.3%. It demonstrates that the components chosen

account for 65.3% of the contribution, with the remaining elements coming from external sources. Therefore, it is evident that talent management strategies help with employee retention, but other aspects also play a role in employee engagement.

**Test of ANOVA**

Table 10- **ANOVA**b - **Employee Engagement**

| | Model | Sum of Squares | df | Mean Square | F | Sig. |
|---|---|---|---|---|---|---|
| 1 | Regression | 12.348 | 1 | 6.171 | 16.949 | .000b |
| | Residual | 12.159 | 54 | .374 | | |
| | Total | 29.492 | 55 | | | |

a. Dependent Variable: Factor3

c. Predictors: (Constant), Factor1

As the sig value is less than 0.05. Hence it shows that there is statistical difference between the mean of the variables.

**Variables in the regression**

**Table 11- Coefficient – Employee Engagement**

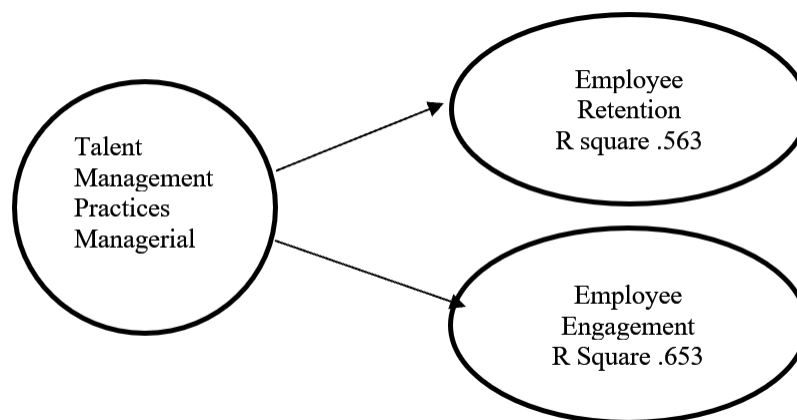| Model | Unstandardized Coefficients | | Standardized Coefficients | t | Sig. |
|---|---|---|---|---|---|
| | B | Std. Error | Beta | | |
| (Constant) | 1.284 | .326 | | 3.943 | .000 |
| Factor 1 | .300 | .055 | .369 | 5.407 | .000 |

d. a.Dependent Variable: Factor3

**Findings**

The influence of talent management strategies on employee engagement and retention is the main emphasis of this study. According to this experiment, employee engagement and retention are favourably correlated with talent management (accepting H1 and H2). Employee engagement and retention are aided by a variety of people management strategies, including career development, rewards and recognition, and managerial support.

**Figure 2- The validated model according to research**

## Suggestions

Undoubtedly, the proficiency, aptitude, and dedication of the workforce, which is the organization's most valuable resource, play a major role in the success of the enterprise. A few recommendations that are solely based on an objective and subjective data analysis of employee replies are provided below. An environment for talent management needs to be established, and organisations need to have a clear talent management vision. A thorough profile of each person involved in talent management processes—whether they be candidates, contractors, or employees—must be created.

Success in the workplace is largely dependent on employee engagement. High levels of engagement in local and international businesses encourage consumer loyalty, talent retention, organisational performance, and stakeholder value. Therefore, it is important to engage employees by giving them possibilities for career progression inside the company, as well as assistance and recognition from superiors. The company that is expanding needs to have a strong strategy for retaining its current workforce, but it is also true that more and more skilled labour will be required for the expansion plan to be implemented successfully.

## Limitations of the study

Every research project has certain inescapable constraints. This study also had the same findings. This includes the inability to get the necessary information and the employees' unwillingness to complete the questionnaire as a result of work pressure and poor time management. It is difficult to find accurate and relevant information. It is costly in terms of money and effort. The main problem with this project is time constraints.

The fact that this study only examined one SAIL unit—the Rourkela Steel Plant (RSP)—represents another significant limitation of the research. As a result, the study's findings might not apply to other contexts.

Finally, the study only looks at one Indian public sector enterprise, which may not be relevant in a worldwide setting. For additional public and private actors, it can differ.

## Conclusion

This paper sought to ascertain how talent management strategies affected employee retention and engagement. This study examined how talent management strategies—career development, rewards and recognition, and managerial support—affect employee engagement and retention at the Rourkela Steel Plant. According to the literature analysis, talent management strategies that show a dedication to managing human resources lead to more engaged workers. Additionally, it implies that managing human talent is essential to both employee engagement and retention. Strong evidence of the association between the variables evaluated and employee engagement and retention was found in the reviewed literature.

Due to the significant costs involved with employee turnover, an empirical research revealed that organizations need to better understand the variables that encourage employees to stay on board and implement strategies to retain quality staff. A sample population of 150 employees were used in the study. The study's conclusions indicate that career development, rewards and recognition, and managerial support have a major impact on employee engagement and retention at the Rourkela Steel Plant. Additionally, this research was finished by conducting a survey at the Rourkela Steel Plant, which is the only SAIL unit. As a result, the study's conclusions might not apply to other public sectors, as Rourkela Steel Plant must operate inside government regulations.

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