

Challenging Role of Talent Management, Career Development and Compensation Management toward Employee Retention and Organizational Performance with Mediating Effect of Employee Motivation in Service Sector of Pakistan

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Abstract : Organizational development history reveals that it has ever been a challenge to identify and fathom the role of talent management, career development and compensation management towards employees' retention and organizational performance. Organizations strive hard to measure the impact of all those factors which affect employee retention and organizational performance. Researchers have worked in great deal in order to know the relationship of independent variables i.e. Talent Management, Career Development and Compensation Management on dependent variables i.e. Employee Retention and Organizational Performance. Employees adorned with latest skills with long lasting loyalty play a significant role towards successful achievement of short term as well as long term goals of the organizations. Retention of valuable and resourceful employees for a longer time is equally essential for meeting the set goals. The organizations which spend reasonable chunk of their resources for taking such measures that help to retain their employees through talent management and satisfactory career development always enjoy a competitive edge over their competitors. Human resource is regarded as one of the most precious and difficult resource to management. It has its own needs and requirement. It becomes an easy prey to monotony when lacks career development. Wants and aspirations of this resource are seldom met completely but can be managed through career development and compensation management. In this era of competition, organizations have to take viable steps to management their resources especially human resource. Top management and Managers keep on working for an amenable solution in order to address the challenges relating career development and compensation management as their ultimate goal is to ensure the organizational performance on optimum level. The current study was conducted to examine the impact of Talent Management, Career Development and Compensation Management towards Employees Retention and Organizational Performance with mediating effect of Employees Motivation in Service Sector of Pakistan. The current study is based on Resource Based View (RBV) and Ability Motivation Opportunity (AMO) theories. It explains that by increasing internal resources we can manage employee talent, career development through compensation management and employee motivation more effectively. It will result in effective execution of HRM practices for employee retention enabling an organization to achieve and sustain competitive advantage through optimal performance. Data collection was made through a structured questionnaire which was based upon adopted instruments after testing reliability and validity. A total 300 employees of 30 firms in service sector of Pakistan were sampled through non-probability sampling technique. Regression analysis revealed that talent management, career development and compensation management have significant positive impact on employee retention and perceived organizational performance. The results further showed that employee motivation have a significant mediating effect on employee retention and organizational performance. The interpretation of the findings and limitations, theoretical and managerial implications are also discussed.

Keywords : career development, compensation management, employee retention, organizational performance, talent management

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