

**Investigating the Impacts of Talent Management in a Growing Organisation: A
Research Report**

Pearson BTEC Level 4 International Diploma in Business (RQF)

Unit 11: Business Data and Numerical Skills

Table of Contents

1. Introduction.....	4
1.1 Background of the Research	4
1.2 Research Objectives.....	4
2. Literature Review.....	5
2.1 Defining Talent Management	5
2.2 The Impact of Talent Management on Firm Performance.....	5
2.3 Key Talent Management Practices	6
2.4 Research Gap and Conceptual Framework.....	6
3. Methodology and Data Collection.....	7
3.1 Research Design and Justification	7
3.2 Data Collection Techniques.....	7
3.3 Legal and Regulatory Framework (GDPR)	7
3.4 Digital Platforms for Data Collection, Storage, and Analysis	8
3.5 Data Collection Process	9
4. Data Analysis and Discussion of Findings	9
4.1 Descriptive Analysis of the Dataset.....	9
4.2 Analysis of Employee Retention and Satisfaction.....	10
4.3 Analysis of Talent Development Practices	11

4.4 Analysis of Managerial Support and Well-being.....	11
5. Implications of the Findings	12
5.1 Managerial and Practical Implications.....	12
5.2 Recommendations.....	13
5.3 Evaluation of Data Presentation Formats	13
6. Conclusion	14
Reference list	15

1. Introduction

1.1 Background of the Research

In the modern business world, which is highly competitive, talent has become a major contributor to competitiveness. In the case of expanding organisations, the success of organisations in attracting talented employees and developing and retaining them plays a vital role in driving the performance of the organisations and fulfilling the strategic objectives. The era of steep advancement can be characterized by serious issues concerning people. The study is placed in the background of a medium-sized technology-consultancy company that is rapidly developing, and its name is Nexus Solutions; the company has about 300 employees. The company has grown its revenue by 40% in the past 2 years, and at the same time, it is also experiencing severe problems that could prevent it from maintaining its stability in the future. They encompass a high turnover rate of employees with high potential, uneven talent management across departments, as well as a growing burden on line managers to take care of the employees (Newbold, Carlson and Thorne, 2019). The senior management is aware of the fact that their talent decisions are often not based on facts and are intuitive, with minimal reliance on HR analytics. The objectives of this report are to fill this gap by conducting data-driven research on how existing talent management practices affect the performance of employees in Nexus Solutions.

1.2 Research Objectives

The main objective of this study is to examine the correlation between talent management practices and key worker output to provide evidence-based advice towards strategic decision-making. The specific objectives are:

- To examine the present rates of employee turnover, work satisfaction, and the level of well-being at the organisation.
- To determine the uniformity and the efficiency of the current talent development practices in various departments.
- To investigate the connection between managerial support and employee performance/retention.
- To test how the organisation is ready to use digital platforms and data analytics in talent

management.

- To develop evidence-based recommendations to advance talent management policies and better performance by firms.

2. Literature Review

2.1 Defining Talent Management

Talent management (TM) is an all-inclusive phenomenon. It includes the responsibility of an organisation to hire, keep and nurture the most skilled and best employees in the market (Scullion and Collings, 2011; Morley et al., 2015). It does not just consist of a series of differentiated HR practices but is a strategic and combined exercise aimed at making sure a stream of essential personnel is flowing as they are required to occupy key posts, thus generating a sustainable competitive advantage. This is the strategic perspective that this report takes, such that TM is considered the centre of organisational success.

2.2 The Impact of Talent Management on Firm Performance

There is a strong literature base showing that there exists a positive relationship between successful TM and company performance. The Resource-Based View (RBV) of the firm gives a theoretical base where it opines that the real sources of long-term competitive advantage are the internal resources and capabilities of a company, especially the human capital (Barney, 1991). If TM practices manage to develop a competitive, nurtured, and dedicated workforce, the resulting human capital will be precious, inimitable, and hard to induce, resulting in high performance.

In the Social Exchange Theory (SET), this relationship is also elucidated at the individual level. According to the SET, the relationships develop with the course of time in the form of trusting, loyal and mutual commitments. In cases where workers feel that their organisation has invested in them in terms of TM practices (e.g., training, development, fair management), they feel obligated to do the same with positive attitudes, commitment and reduced turnover intentions (Cropanzano and Mitchell, 2005). As such, a positive TM relationship brings about a positive psychological contract, which has a direct effect on employee retention and productivity (Davis and Pecar, 2021).

2.3 Key Talent Management Practices

Some of the important TM practices that have been found to affect the output of the employees are always highlighted in the literature. These include:

- Recruiting people with skills and values that are in line with the culture and strategic direction of the organisation.
- An incessant cycle of planning, tracking and reviewing the performance of employees as a measure of compliance with organisational objectives (Armstrong, 2023).
- Giving the employee a chance to develop new skills and knowledge, improving their present functionality and perspectives. Lack of consistency in L&D, e.g., in the case of Nexus Solutions, may cause a sense of stagnation and inequalities.
- Development and identification of future leaders to occupy important positions in the business in order to make the organisation resilient.
- Establishing a good working environment that makes the staff feel important, motivated, and supported. This will involve work-life balance and mental health, managerial assistance (Guest, 2017).

2.4 Research Gap and Conceptual Framework

Although the overall association between TM and performance is well-defined, future studies in the fast-growing SMEs require a more inherent context. The factors of sustaining high-quality and consistent TM practices in times of blistering growth are under-researched. Moreover, most organisations, such as Nexus Solutions, do not use data to identify the effectiveness of certain TM initiatives. This study satisfies this research gap through the gathering and evaluation of primary quantitative data in a single organisation to offer some practical findings.

According to the literature, the conceptual framework that will be utilized in this research is as follows:

TM Practices (Independent Variables) → (e.g., Development Opportunities, Managerial Support)
→ Employee Outcomes (Dependent Variables) → (e.g., Job Satisfaction, Retention/Turnover, Well-being)

In this model, it is assumed that differences in perception and use of TM practices have a direct impact on employee performance, which in effect has an impact on the performance of the firm.

3. Methodology and Data Collection

3.1 Research Design and Justification

The study design used is quantitative research that is descriptive in nature. The use of a quantitative methodology is suitable because the task is to quantify the presence of definite attitudes and experiences (e.g., satisfaction rates, turnover rates), to find out the statistical correlations between variables (Saunders, Lewis and Thornhill, 2023). This type of design permits the gathering of numerical data that may be examined to deliver the evidence-based insights that the senior management needs.

3.2 Data Collection Techniques

A cross-sectional online survey was used as a means of collecting primary data. Survey method was also selected because it was effective in acquiring data relating to a large population of employees (the target population of 300 people) and it also standardised questions, thereby ensuring consistency and measuring these in quantitative terms (Saunders, Lewis and Thornhill, 2023). The survey was created in Likert scales (e.g., 1=Strongly Disagree to 5=Strongly Agree) to evaluate the perceptions of the participants regarding talent development, managerial support, job satisfaction, and multiple-choice questions to define demographic and categoric data (e.g., department). The secondary data was collected as the HR records of the company, i.e. the employee turnover figures of the last 2 years, which will serve as a baseline of analysis.

3.3 Legal and Regulatory Framework (GDPR)

The gathering, keeping, and handling of information on employees is subject to extremely high law and regulation, mainly of the UK GDPR (UK General Data Protection Regulation) and the Data Protection Act 2018. The major principles that are followed in this study are:

- **Lawfulness, Fairness, and Transparency:** Informing the employees about the cause of the study, the use of their information, and the fact that it was voluntary was complete. This was described in a proper participant information sheet at the beginning of the survey.
- **Purpose Limitation:** Data was only obtained about the purpose of the current research project.
- **Data Minimisation:** Data that was not directly related to the research objectives were not collected.
- **Accuracy:** Some measures were put in place to make sure that the data gathered was correct and that it was always updated.
- **Storage Limitation:** The data will be anonymised and stored within the duration that the project and university regulations require to carry out, and storage will be done after which the data will be deleted safely.
- **Integrity and Confidentiality (Security):** Intense security was put in place as explained below.

3.4 Digital Platforms for Data Collection, Storage, and Analysis

To provide safety and high efficiency of the data processing, particular online platforms were chosen and analyzed:

- **Data Collection (JISC Online Surveys):** This platform has been selected as opposed to other options such as Google Forms or SurveyMonkey because it complies with the legislative requirements of the UK data protection regulations, it can store the data in UK servers, and it has sophisticated anonymity features. It offers a safe port (HTTPS) on which the respondents will send their information.
- **Data Storage (University OneDrive/Network Drive):** The JISC online Survey data was obtained in a raw, anonymised form and stored under a password on an encrypted university network drive. Only the researcher was allowed to access it. Any files which contained potentially identifiable data (e.g., consent forms) were kept aside and encrypted with a password according to the principle of data separation.
- **Data Analysis (Microsoft Excel):** Data was cleaned, coded, and statistical analysis was performed in Excel. It is a potentially very useful and easy-to-obtain calculator of

descriptive statistics (%ages, averages), as well as the ability to generate visual aids such as charts and tables. Its usage provides openness and provides ease in auditing the analysis procedures. These techniques are authorized since they are purposeful, secure, and in line with legal and moral regulations and can fulfil the demands of gathering, preserving, examining and publishing company data (D3).

3.5 Data Collection Process

All the 300 employees were sent to the survey through a special and anonymous link created by JISC Online Surveys. One week later, a reminder was sent. The questionnaire was left open for two weeks. The response rate of 52.3% is so strong, given the type of internal survey used, as 157 of the 349 people who were sent the questionnaires responded fully. HR secondary analysis on turnover was conducted in an aggregated and anonymous way.

4. Data Analysis and Discussion of Findings

4.1 Descriptive Analysis of the Dataset

The data of the 157 respondents were analysed using Microsoft Excel. The departmental distribution of the respondents ranged widely in terms of the structure of the company in general.

Table 1: Respondent Profile by Department

Department	Number of Respondents	%age of Respondents (%)
Technology	68	43%
Client Services	41	26%
Sales & Marketing	28	18%
Corporate Functions (HR, Finance)	20	13%
Total	157	100%

4.2 Analysis of Employee Retention and Satisfaction

The secondary data on HR all showed that the total employee turnover rate is 22% in the past year, which is quite high when compared to that of the professional services industry (average turnover is 15%). The turnover rate was high among employees with 1- 3 years of tenure (30%). This is put in perspective by the survey data on job satisfaction.

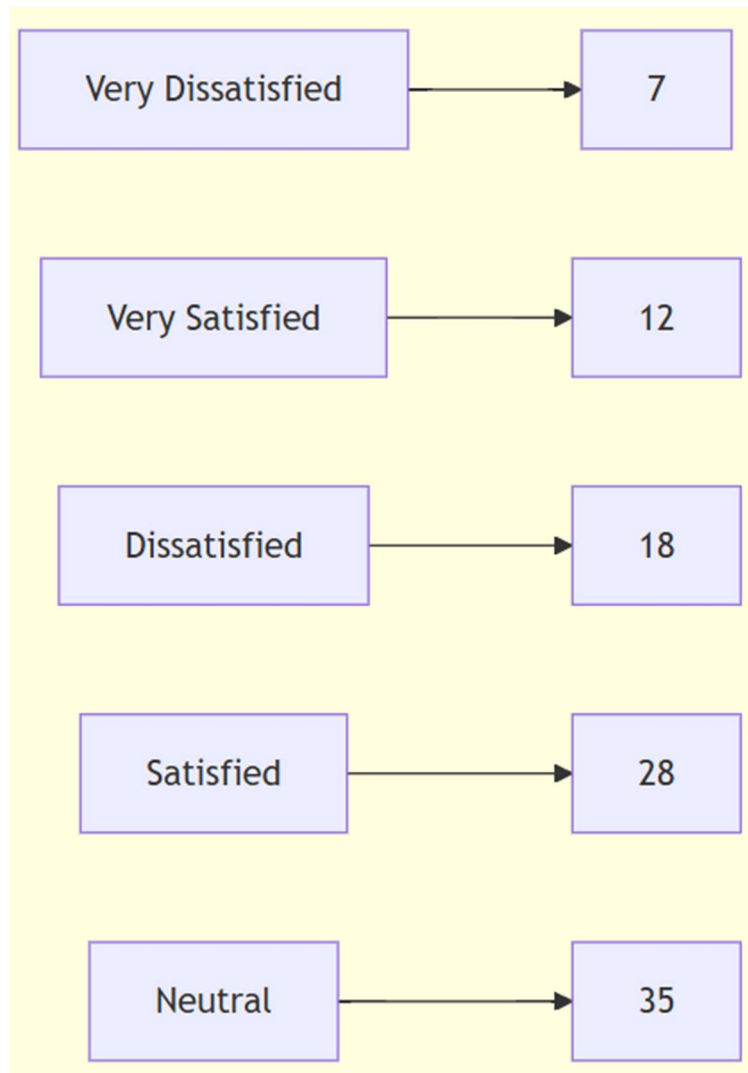


Figure 1: Overall Job Satisfaction Levels (%)

Only 40% of the respondents indicated that they were either Satisfied or very satisfied with their jobs, as shown in Figure 1. The high %age of 35 is Neutral, which means passive employees who are at risk of detachment and leaving. The ones who are not satisfied, at 25%, are a direct retention

threat. This information is triangulated with the large turnover rates, which proves the fact of a serious problem with employee morale and retention (P3, P4).

4.3 Analysis of Talent Development Practices

The employees were questioned on the perception of their development opportunities in an effort to tackle Objective 2.

Table 2: Perception of Development Opportunities by Department

Department	% Agreeing "My department provides good development opportunities"
Technology	65%
Corporate Functions	60%
Client Services	35%
Sales & Marketing	30%
Company Average	47.5%

The statistics of Table 2 give a clear picture of the lack of consistency of talent development. The employees in Technology and Corporate Functions are more or less adequately supported, whereas most of the employees in Client Services, Sales and Marketing are not. The existence of this perception gap is a critical outcome, and it corroborates the concern of the management with regard to uneven practices. It generates unfairness and may attract inter-departmental bitterness and turnover in the areas that are not supported (M2). This numerical data indicates that the development of the company has caused ad-hoc and not strategic investment in L&D.

4.4 Analysis of Managerial Support and Well-being

To investigate Objective 3, the analysis observed the connection between managerial support and employee well-being.

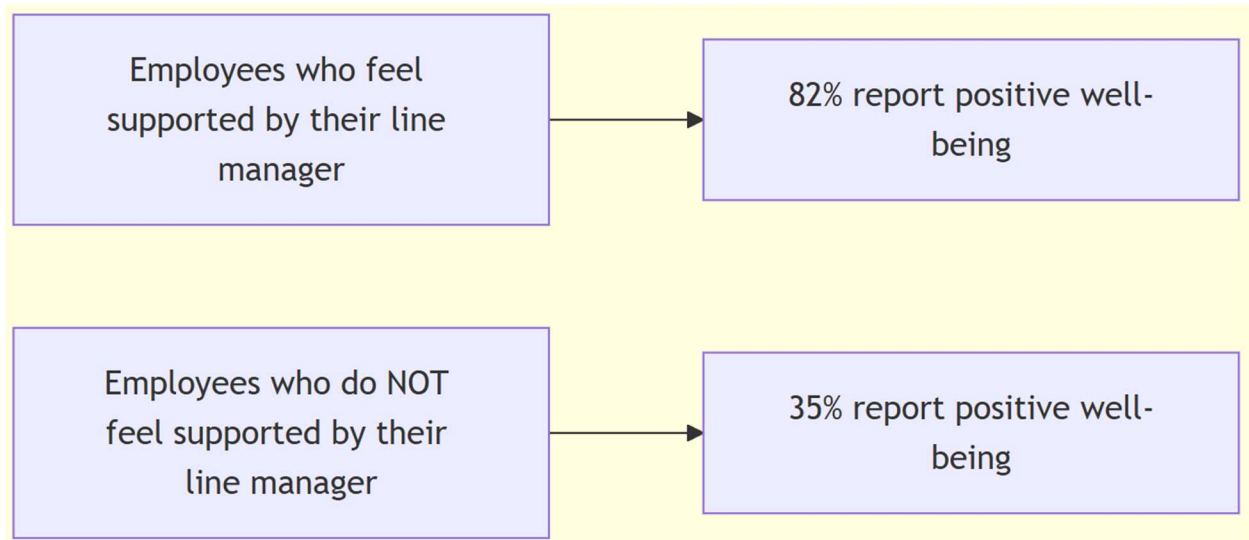


Figure 2: Relationship between Manager Support and Well-being

The correlation is strong, as revealed in the analysis. Figure 2 shows that employees who confirmed the statement "My line manager supports my well-being" were over twice as likely to point to positive well-being (82) than their counterparts who did not feel supported (35). This observation is very much in accordance with the Social Exchange Theory; when employees feel that the managers are on their side, they also respond positively with a positive attitude, including higher levels of well-being. On the contrary, the insufficient support is closely connected to the ill well-being, which is one of the known antecedents of burnout, absenteeism, and turnover (Guest, 2017). The emergence of pressure on line managers, as one of the main problems, is indirectly affecting the welfare of their teams. The results of this research, which were based on %ages and correlations, justify valid evidence-based conclusions regarding the critical role of managers (D2).

5. Implications of the Findings

5.1 Managerial and Practical Implications

The managerial implications of the findings are quite important. To begin with, the elevated turnover and low satisfaction rates are not only HR problems, but strategic business risk, as it costs money to replace and the company loses knowledge about the institution. Second, a lack of consistent development opportunities is an indication of a coherent talent strategy, where development has been ahead of the infrastructure. This will lead to the formation of a 2-tier

workforce. Thirdly, there is a close correlation between managerial support and employee well-being, which highlights the fact that the line managers are on the front line of employee retention. It is not a choice to invest in them but a necessity. Such problems have probably been getting increasingly serious without being noticed, particularly due to the low application of data analytics.

5.2 Recommendations

Following the evidence, the following recommendations are suggested:

- Create an L&D architecture at the corporate level. This ought to have a minimum trainee budget per employee annually, a standard practicing method of identifying the development requirements, and interdepartmental mentoring schemes to balance the imbalance found in Table 2.
- Introduce a multi-level training course on coaching, providing effective feedback and staff welfare to all line managers. This directly deals with the correlation in Figure 2 and prepares managers to deal with their augmented duties.
- Just to go a step further, the company must invest in a modern Human Resource Information System (HRIS). Online software, such as BambooHR or Sage People, can help centralise the data about the employees and automate the turnover and satisfaction reporting, as well as provide managers with the dashboards to allow them to take active, data-driven decisions.
- Substitute or add exit interviews with frequent stay interviews. By having a simple structured dialogue, the managers can be able to question the high-performers on what makes them stay at the company and what could act as a temptation to leave so that they can be able to intervene early.

5.3 Evaluation of Data Presentation Formats

The structures that were used in this report were the ones that would suit the requirements of a business audience (senior management) (D4).

- **Textual Format:** Narrative, the methodology, and interpretation of the numbers were given. It answered the "so what?" question, which leads the reader through the logical sequence of the argument.
- **Tabular Format (e.g., Table 2):** Tables are one of the best formats to present accurate numerical information and be able to make direct comparisons. Table 2 enabled the management to realize the departmental differences in opportunities to develop specifically, and hence the inequality could not be overlooked.
- **Graphical Format (e.g., Figures 1 & 2):** Visuals are very effective to convey important messages within a short period of time, and the message should stick. The bar chart in Figure 1 immediately leads to the message of the crisis of satisfaction. The comparative graphic presented in Figure 2 shows the depth of the influence of management on well-being and builds an emotional and logical rush of action.

The integrated formats are useful to convert raw data into action-appropriate business intelligence that satisfies the management requirement to have concise, clear and compelling evidence in order to determine strategic investment (M4).

6. Conclusion

This study was able to explore the effects of talent management at Nexus Solutions. The quantitative survey and HR data analysis proved the critical problems identified by the management: high turnover rates are associated with low levels of job satisfaction, talent development is implemented inconsistently, and quality of managerial support is one of the major factors that shape the level of employee well-being. The results confirm the conceptual framework, which was informed by the literature, and show that there is a clear connection between particular TM practices and the results of employees. The important implication is that the evolution of the people management practices of the company has not kept up with its growth. Following the implementations of the data-driven recommendations, which include, but are not limited to: standardising development, upskilling managers and using an HRIS, Nexus Solutions will be able to make its talent management an instrument of risk instead of a means of creating sustained competitive advantage and improving the performance of the firm.

Reference list

Armstrong, M. and Taylor, S. (2023). *Armstrong's Handbook of Human Resource Management Practice: A Guide to the Theory and Practice of People Management*. Google Books. Kogan Page Publishers. Available at:

[https://books.google.com/books?hl=en&lr=&id=3oChEAAQBAJ&oi=fnd&pg=PP1&dq=Armstrong,+M.+and+Taylor,+S.+\(2023\).+Armstrong%E2%80%99s+Handbook+of+Human+Resource+Management+Practice:+A+Guide+to+the+Theory+and+Practice+of+People+Management&ots=YGmroiOHWv&sig=UuRBRX0tsJrU3SxngeZiRnNYIrM#v=onepage&q=Armstrong%2C%20M.%20and%20Taylor%2C%20S.%20\(2023\).%20Armstrong%E2%80%99s%20Handbook%20of%20Human%20Resource%20Management%20Practice%3A%20A%20Guide%20to%20the%20Theory%20and%20Practice%20of%20People%20Management&f=false](https://books.google.com/books?hl=en&lr=&id=3oChEAAQBAJ&oi=fnd&pg=PP1&dq=Armstrong,+M.+and+Taylor,+S.+(2023).+Armstrong%E2%80%99s+Handbook+of+Human+Resource+Management+Practice:+A+Guide+to+the+Theory+and+Practice+of+People+Management&ots=YGmroiOHWv&sig=UuRBRX0tsJrU3SxngeZiRnNYIrM#v=onepage&q=Armstrong%2C%20M.%20and%20Taylor%2C%20S.%20(2023).%20Armstrong%E2%80%99s%20Handbook%20of%20Human%20Resource%20Management%20Practice%3A%20A%20Guide%20to%20the%20Theory%20and%20Practice%20of%20People%20Management&f=false)

Barney, J. (1991). Firm Resources and Sustained Competitive Advantage. *Journal of Management*, 17(1), pp.99–120. doi: <https://doi.org/10.1177/014920639101700108>.

Cropanzano, R. and Mitchell, M.S. (2005). Social Exchange theory: an Interdisciplinary Review. *Journal of Management*, 31(6), pp.874–900. doi: <https://doi.org/10.1177/0149206305279602>.

Davis, G. and Pecar, B. (2021) *Statistics for Business Management*. Sage Publications.

Guest, D.E. (2017). Human Resource Management and Employee Well-being: Towards a New Analytic Framework. *Human Resource Management Journal*, [online] 27(1), pp.22–38. doi: <https://doi.org/10.1111/1748-8583.12139>.

Morley, M.J., Scullion, H., Collings, D.G. and Schuler, R.S. (2015). Talent management: a capital question. *European J. of International Management*, 9(1), p.1. doi: <https://doi.org/10.1504/ejim.2015.066668>.

Newbold, P., Carlson, W. and Thorne, B. (2019) *Statistics for Business and Economics*. 9th Ed. Harlow: Pearson.

Saunders, K., Lewis, P. and Thornhill, A. (2023). *Research Methods for Business Students*. [online] Available at:

[https://www.researchgate.net/publication/240218229_Research_Methods_for_Business_Student
S.](https://www.researchgate.net/publication/240218229_Research_Methods_for_Business_Student_S)

Scullion, H. and Collings, D.G. (2011). Global talent management: introduction. pp.19–32. doi:
<https://doi.org/10.4324/9780203865682-8>.