

Understanding the Talent Management Practices by Employees of Banking Sector

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ABSTRACT

Banking and Finance offers tremendous services for the betterment of human civilization. A major population in any country is dependent on banks to accomplish their day to day financial transactions. Banks and Financial Institutions have witnessed a lot of economic changes and development from the past and the trend continues till now. The changes and expectations in banking sector is a challenging trend to the sector's contribution to the society with the variety of talent and employability skills. The development of technology, changing demographics and the fluctuating economic and political situation, have all affected by the shortage of talent and under employment attitude. In the present hypercompetitive and increasingly complex global economy, one of the greatest challenges faced by almost every organization is to successfully attract, assess, train and retain the talented employees. With the banking sector becoming increasingly competitive and customer oriented, identification and management of talented personals becomes the biggest challenge. In order to understand the talent practices of the employees in the sector concerned, the researcher framed the objective to understand the factors contributing for selecting the current employment by the respondents and the employees view on talent management and organization readiness to improve the same. The research found that there is an association between the age of the respondents and their perception on selecting the entry level job in banking sector.

1. Introduction

Talent is the sum of a person's abilities, his or her intrinsic gifts, skills, knowledge, experience, intelligence, judgment, attitude, character and drive required for today and tomorrow. It also includes his or her ability to learn and grow giving his/her discretionary energy and making a real contribution through work to find meaning and purpose in his/her work. Talent provides companies with a competitive advantage, and it shares a common concern that not only the talent is scarce, but also most of the companies are not doing enough to manage and retain whatever they have. Human resources as the greatest source of competitive advantage for any organization, deserves the attention and time of managers more than any other organizational resource or asset. Management of people and risks are the two key challenges for banks because how they are able to manage their people and risk decides their quality of services. Efficient management of risk may not be possible without management of people and for the sustainability and to stay ahead in business, talent management cannot be ignored.

The banking sector in India has been largely resilient though the crisis in the past decades and are ahead in terms of prudential norms which enabled the Indian banks to endure the crisis. However, problems are creeping in - Some of the problems are weak appraisals, poor asset quality, frauds, increase in customer grievances, poor risk management, inadequate understanding and leveraging of IT resources, manpower shortages, etc.

2. Review of literature

Behera, (2016) investigated the interrelationship that exists between talent management and employee engagement

in Indian Banking sector and also determined the contribution of the talent management as a strategic tool for the organizational development. A survey method was conducted in all the public sector banks of India. Author concluded that the major challenge now for banks as well as any other organization is therefore how to develop their social architecture that generates intellectual capital as the quintessential driver of change.

According to **Mourougan, (2015)**, the talent management practices implemented with robust technology applications can effectively identify and develop, from all levels of the workforce, the leaders who will best drive business performance. By identifying people within the organization who have the potential to become leaders and then working with them to fill any gaps in their skills, the organization will be able to build a strong bench of talent. Although there is much to consider when seeking broadening the organization's focus towards fully integrated assessment development architecture, starting with a broad, strategic foundation will pay dividends in leadership growth and business outcomes.

In **2014, Nagpal** identified the reasons for importance of talent management for employees as well as organization, benefits to employees and organization, elements of talent management, challenges of talent management and strategic talent management. Author concluded that it has been agreed by almost all top management executives of big companies that it is the human resource - a talented one can provide them competitiveness in the long run to achieve the organizational objectives. Hence, it is the duty of the HR department to nurture a brigade of talented workforce, which can win them the war in the business field.

Schiemann, (2014) Human capital is an increasingly costly resource for most organizations around the globe and one that is central for achieving the mission and goals of the organization. This article focused on how to optimize human capital investments by thinking about how the organization manages the entire talent lifecycle—from talent attraction to recycling of talent in the future, by maximizing three critical drivers of overall company performance - Alignment, Capabilities, and Engagement of people, and by having the right measures in place to understand, focus, develop, and leverage human capital resources.

Rani and Joshi, (2012) They have envisaged the relationship between talent management strategies and retention. Comparative study on talent management strategies in information technology company Infosys and automobile (Tech Mahindra) was made. Both the companies have talent identification through competency and assessment. Organizational culture and rewards are the driving force for attracting and retaining talents.

Govaerts et. Al, (2010) in an exploratory study to identify ways to retain talent conducted in professional organizations collected a sample of 972 employees and concluded, to retain employees it is important to pay attention to learning of employees. Learning and development of employees plays a key role in talent management strategy. In order to retain people, organizations should allow people to learn more and do more in what they are good at.

Lewis and Heckman, (2006) found that the literature can best be described in terms of three research streams: (1) talent management is conceptualized in terms of typical human resource department practices and functions; (2) talent management is defined in terms of HR planning and projecting employee needs; and (3) talent management is treated as a generic entity and focuses on high performing and high potential talent or on talent in general.

3. Research Gap

The researcher understood from the collected literature that there is a need for improvement in the recruitment systems in banking companies. Developing an entry point banking qualification and reducing the number of applicants is important, so that wasteful expenses are avoided. Generally the bank job is considered safe and secure but not very demanding in terms of work output. It is difficult to fire an employee for non-performance. Banking is like any other business and the staffs have to carry out multifarious activities.

Some of these activities are specialist in nature. At the same time some of the activities are in no way related to banking competencies and could be outsourced. Banks need to make some institutional changes to adapt to the markets. That is the reason which calls for research in this field.

It is identified that all the banks are very keen in effectively managing the talent of their existing workforce but there are some unexplored talent related factors which really contribute towards increasing the retention rate of employees. This area has been identified for further research which will be helpful in exploring the factors influencing talent management practices in banking sector.

4. Objectives of the study

The objective framed for the study are :

1. To understand the factors influencing on the perception of employees in selecting current employment in banking sector
2. To assess the employees view on retaining the existing talent management practices and organizational readiness to serve for the betterment of employees.

5. Research Methodology

The present study is descriptive in nature and the method adopted for collecting the first hand information was stratified random sampling. The sampling population selected for the study was the employees of banking sector. Primary data was originally collected from 280 respondents. Responses of 56 people were collected through an initial pilot study. A structured questionnaire was prepared with the following sub sections: Demographic details, Opinion about the factors that most influenced a person while considering current employment, Self perception of employees about training and development activities, Opinion of the employees about their organization's talent pool, Employees view on talent management practices. At present, the collected data for the pilot study was assessed by using Frequency Analysis and Chi-Square as statistical tools.

6. Analysis and interpretation

The respondents demographic details were assessed by using frequency analysis :

Demographic details

Age	Frequency	Percentage
15 to 25 years	30	53
26 to 35 years	16	29
36 to 45 years	10	18

Gender	Frequency	Percentage
Male	43	77
Female	13	23

Marital status	Frequency	Percentage
Single	30	55
Married	25	45

Educational qualification	Frequency	Percentage
UG	18	32
PG	38	68

Section/Division/Department	Frequency	Percentage
Finance & Accounts	49	88
Marketing/Sales	7	12

Designation	Frequency	Percentage
Senior Manager	5	9
Assistant Manager	31	55
Deputy Manager	17	30
Others	3	6

Experience	Frequency	Percentage
0 to 5 years	30	54
6 to 10 years	19	34
11 to 15 years	7	12

Salary	Frequency	Percentage
Rs.16,000 to 20,000	24	43
Rs.21,000 to 25,000	6	11
Above Rs.25,000	26	46

The above table shows that among the total respondents, 53% % of them were below 25 years old, followed by 29% of them were 26-35 years old and the rest 18% of them were in the age group of 36-45 years old. 77% of them were married and the rest 23% of them were unmarried. In the point of educational qualification, 48% of the respondents were Post graduates and 32% of them were Undergraduates. 88% of the respondents were working for Finance & Accounts section and the rest 12% of them were working for Marketing/Sales division. In the point of designation, 55% of the respondents were identified as Assistant managers, 30% of them were identified as Deputy managers, 12% of them were identified as Senior managers and the rest 6% belong to other designations. 54% of the respondents were identified with less than 5 years experience, 34% of them were identified with 6 to 10 years of experience and the rest 12% were having an experience of 11

to 15 years. With regard to salary, 46% of respondents were more than Rs.25,000, 43% were getting Rs.16,000 to 20,000 and rest 11% were getting a salary of Rs.21,000 to 25,000.

Objective 1 : Understand the factors influencing the perception of employees in selecting current employment in banking sector

The pilot study was conducted among 56 respondents who were bank employees and the collected data was assessed using frequency analysis. The objective 1 is to understand the factors influencing the perception of employees in selecting current employment in banking sector. Major opinion of the respondents is alone given below :

Factors that most influenced while considering current employment by the respondents

Factor		Frequency	Percentage
a. Job that utilizes and retains my talent	Agree	30	54
	Disagree	26	46
b. Compensation and benefits	Agree	43	77
	Disagree	9	16
c. Challenging Role	Agree	49	88
	Disagree	7	13
d. Leadership style	Agree	49	88
	Disagree	7	13
e. Learning opportunities	Agree	45	80
	Disagree	11	20
f. Easier to commute to workplace	Agree	24	43
	Disagree	32	57
g. Brand image of the organization	Agree	46	82
	Disagree	17	30

From the above table, the results found that majority of the entry level employees agree that the entry level employment in banking sector properly utilizes and retains their talent for the organizational betterment. Majority of the employees agreed that the current employment had been chosen with a motive of getting better compensation and benefits. Results found that

majority of the employees agreed that they need a challenging role and good learning opportunities in the entry-level. Majority of the employees felt the job location need not be close to their residence. Results found that majority of the employees opted for current employment because of the brand image of the organization.

Understand the talent forum in banking sectors

Factor		Frequency	Percentage
a. Every employee is maintaining the required talent in the organization	Agree	3	5
	Disagree	19	34
b. My senior managers nominate talented employees for promotion	Agree	5	9
	Disagree	41	73
c. My organization is having a talent forum	Agree	49	88
	Disagree	2	4
d. Every employee is showing interest in their talent development	Agree	7	13
	Disagree	20	36
e. Organization aims at development of productive employees	Agree	51	91
	Disagree	2	4

From the above table, the results found that majority of the employees disagree that all the employees do not maintain required talent in their organization. Majority of the employees disagree that senior managers nominate only talented employees for promotion. It is identified from the results that majority of the employees agree that their organization is having a talent forum. Results found shows that majority of the employees are showing interest in their talent development.

Majority of the employees agree that their organization aims at development of productive employees.

Objective 2 : Assess the employees view on retaining the existing talent management practices and organizational readiness to serve the betterment.

This has been analyzed by using chi square. The hypothesis was framed to support the above objective:

H0a: There is no significant relationship between age of the respondents and their perception on selecting the entry level jobs in banking sector.

H1a: There is significant relationship between age of the respondents and their perception on selecting entry level jobs in banking sector.

The observed frequency is higher than the expected frequency for age and their perception on selecting the entry level jobs in banking sector. The result found that there exist an association between age of the respondents and their perception on selecting entry level jobs in banking sector and hence the null hypothesis is rejected.

7. Findings of the study

From the result and analysis, majority of the entry level employees agree that the entry level employment in banking sector properly utilizes and retains their talent for the organizational betterment. Majority of the employees agreed that the current employment had been chosen with a motive of getting better compensation and benefits. Results found that majority of the employees agreed that they need a challenging role and good learning opportunities in the entry-level. Majority of the employees felt the job location need not be close to their residence. Results found that majority of the employees opted for current employment because of the brand image of the organization. Employees disagree that all the employees do not maintain required talent in their organization. Majority of the employees disagree that senior managers nominate only talented employees for promotion.

It is identified from the results that majority of the employees agree that their organization is having a talent

forum. Results found shows that majority of the employees are showing interest in their talent development. Majority of the employees agree that their organization aims at development of productive employees. The observed frequency is higher than the expected frequency for age and their perception on selecting the entry level jobs in banking sector. The results found that there exist an association between age of the respondents and their perception on selecting entry level jobs in banking sector and hence the null hypothesis is rejected. So organizations had to cater to the needs of different age groups and different experience levels while planning for talent management practices in order to make the activities and training to be more effective.

8. Conclusion

Each Banking and Financial institution aims at becoming world-class provider of services and products to compete well in the industry. Enhanced spending on infrastructure, speedy implementation of projects and continuation of reforms are expected to provide further impetus to growth. All these factors suggest that India's banking sector is also poised for robust growth as the rapidly growing business would turn to banks for their credit needs. The best talent wants to work for innovative companies that offer learning opportunities and banks must win the talent war in order to succeed in their efforts to recruit and retain individuals most suited for their organization. Young Talent is always dynamic; but they need good opportunities to explore themselves. There should be fast track route available for talented candidates so that they can pursue their career goal. There should be an unbiased, reliable way to identify talented employees and also programs should be conducted for retaining those employees. Also a congenial work environment should be maintained to constantly motivate talent holders to retain them.

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