



RESEARCH ARTICLE
Vol.6.Issue.1.2019
Jan-Mar



**INTERNATIONAL JOURNAL OF BUSINESS, MANAGEMENT
AND ALLIED SCIENCES (IJBMAS)**
A Peer Reviewed International Research Journal

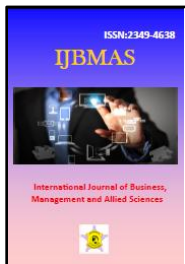
**EMPIRICAL ANALYSIS EMPHASISING TALENT MANAGEMENT
PRACTICES AND EMPLOYEE PERFORMANCE IN BANKING INDUSTRY IN
KERALA**

BITHA S MANI¹, Dr. NADIA SHA²

¹Research Scholar, IMK, University of Kerala, Thiruvananthapuram, Kerala

²Assistant Professor, Department of Finance and Economics, CCBA, Dhofar University,
Salalah, Sultanate of Oman

<https://doi.org/10.33329/ijbmas.6119.21>



ABSTRACT

The process of identifying, developing and retaining talented bunch of individuals by assessing their work and performance in the organisation is termed as talent management. In this study the practices involved in talent management are categorised under job related, recruitment and selection related factors, training and appraisal factors, and employee key factors. Since banking industry is one of most prominent industry in India, the researchers try to study the effectiveness of talent management practices and the relation between talent management practices & employee performance in the banking industry in Kerala. The major contributors to this study were managers and assistant managers of commercial banks in Kerala. From the study it is revealed that the above mentioned talent management practices have major positive impact on the performance of employees in the banking sector. The study was based on survey method and multi-stage random sampling is used for sampling.

Key words: talent management practices, banking , talent management

Introduction

Talent Management

Talent means the bundle of the capacity to learn , capacity to think , capacity to relate and the capacity to act accordingly and the values of the organization (Martin and Moldoveanu, 2003). Talent management comprised of identifying, acquiring, developing and retaining talented employees in the organisation. More than a modernised human resource management term, talent management is used as a tool to acquire, develop and retain potential employees for the right job. The task has its own dimensions and complications.

Talent management contributes to the major areas of human resources like , attracting best talent ; it builds an employer brand that could attract employee’s talents and in order to the improvement of the organisation performance and results. Employees motivation; talent management helps the employees to be highly motivated for perform more and their by achieving organisational

objectives. Constant attention on key roles/positions; the organisation will be capable for responsibilities that requires crucial skills and have a prepared to deal with the crucial roles and highly specialized roles in the workforce to its employees. Increase employee performance; with talent management it will be easier to identify which employees will be best fit for the job that can lead to less performance management issues and grievances. Employees engagement; when there is a systematic and transparent procedure for the development employees feel more engaged and this increases retention rates and also makes sure that the organisation can meet its operational goals. Talent retention: well planned and strategized on-boarding practices create higher chances of retention which helps the organisation on its recruitment and performance management cost in the upcoming years. Improve organisation performance: when employees are engaged, skilled, motivated they will work in the direction of organization's objectives, which in turn increases customer satisfaction and business performances. Increased customer satisfaction: when networks are more connected, organisation system will regain its momentum. Naturally customer satisfaction rates will go up, since their needs are met more frequently.

Talent Management in Banking Industry

Indian banks have shown spectacular growth in the current years. From an Indian survey (2012) it is found that among 58 Indian companies, the highest voluntary employee turnover is from banking and IT sector. Those sectors are 2.9 times higher than other sectors. This survey also says that if any organization is able to manage talent turnover, they will gain more benefits from investments made on development. A recent study found that 62% of senior officials in the banking industry believe that the digital talent gap, or the disparity between the supply of qualified people with digital expertise and the demand for those candidates, has been widening in recent years (Lisa Joyce,2018). For competing today's global competition, banking sector managers have to thrive for maintaining essential components for the massive reassignment and retaining of talented employees.

Significance of the study

Banking industry is one of the prominent service industry in India. Bank employees are the category of people who works relentlessly and never gets proper attention. Their work schedule often varies according to the requirement of the customer, organisation and emergencies. The gaining attention of talent management in human resources management and the role of talent management in banking area is considered to be important on this context. Since there are many number of branches in both public sector and private sector banks, the effectiveness of talent management practices and the relationship between talent management practices and employee performance were under taken for the study.

Research problem

Talent and expertise varies with people. But identifying right candidate for right job requires conscious effort from the organisation. In banking, it is hectic task for the management or the top bodies to fill the key positions in their organisation and also maintaining their star employees satisfied. Now we are all living in an aggressively changing technology supported environment. In such situations, decisions and strategies regarding talented employees should be carefully handled by the top management. When it comes to banking, it is found that less studies were conducted regarding the banking employees talent management and their performance. So in order to address the issue, it is identified as a research gap and there by proposed a scientific and progressive study in this area.

Objectives

1. To study the effectiveness of talent management practices of employees in banking industry in Kerala.
2. To analyze the relationship between talent management practices and employee performance in banking industry in Kerala.

Methodology

The study is descriptive and analytical in nature. Primary and secondary data were included for the study. Primary data were collected from the assistant managers and managers of banking industry in Kerala. Secondary data collected from different literature reviews, articles, journals, etc. The unit of study is the managers with different grades of banking industry in Kerala. The population of the study is six lakh employees. The sample size is 480 managers from public sector and private sector banks. The sampling technique used for the study is multi-stage random sampling. The data collected from three zones (north, central and south) of Kerala.

A structured questionnaire was prepared for primary data collection. The statistical tools used for analysis are Mean, Standard Deviation and significance tests like Chi-Square test for goodness of fit, the Spearman's Rank Correlation were also used to interpret data.

Literature Review

A Study on Talent Management Strategies in Private Sector Banks tried to identify the challenges and the means through which the banks meet their problems regarding filling the gaps and the strategies used to reform their talented people in private banks (Ms. SrividyaPrathiba.C.S and Dr.Lalitha Balakrishnan (2014)).

Talent Management Scenario in the Private and Public Sector Banking Industry" the study shows the talent management in selected private and public sector banks. The researcher states that , from the study talent management initiatives are well developed in private sector banks compared to public sector banks in terms of rewards, remuneration and selection procedures (Hitu ,2015). Impact of Talent Management Practices on Employees Performance study shows the impact of talent management in selected private sector banks. From the study it is found that talent management practices have direct impact on employee motivation, employee creativity and employee satisfaction and employee competency. The study recommends that there should be healthy and stress free working environment, career progression opportunity, regular training, welcome employees" innovative idea and transparent proper promotion policy for the management of talent in the organization (Prof. Sultan Singh and Pooja, 2016)

The author says that 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(Mourougan, 2015).

The study revolves around the talent management practices and its existence & benefits in the four major industries Banking, Healthcare, Manufacturing and IT industry . According to the authors talent management practices will vary according to different industries but proper care and right approach can assure better results (M. Dhanabhakyaam& K. Kokilambal, 2014) .

Major components of Talent Management Practices

There are some talent management practices which are identified to be suitable for the manager respondents in the banking industry in Kerala are listed below.

1. Job related factors

a. Job redesign

The attempt to review and reallocate the job responsibilities and tasks for improving the work output is job redesign. The components which are assessed in this factor are continuity, clarity, consideration of opinions, effectiveness & efficiency and work aptitude & skills.

b. Role redesign

It is a tool used to improve workforce and the components used for study this factor are authority & responsibility, role clarity, parity, creativity & innovativeness and employee efficiency.

c. Job rotation

The strategy of moving employee from one job position to another inside the organisation to be more flexible with work is termed as job rotation. The components assessed under this factor are clarity , transparent procedure, opportunity to understand, reduce boredom and knowledge & efficiency.

d. Career development

The whole process of self development, career growth, transition regarding work and work environment constitutes career development. The components considered to study under this factor are acquiring higher qualification, equality & transparency, skill acquisition, productivity and loyalty.

e. Succession planning

Succession planning is identifying and developing a potential individual for key positions as successor from talented employees. The components assessed are transparency, unbiased, mapping succession path, positive top management decisions, and confidence.

2. Recruitment & Selection related factors

a. Internal recruitment

The different components examined under internal recruitment are transparent policy of organisation, merit, motivation for knowledge acquisition, tandem with industrial norms and healthy organisational climate.

b. External recruitment

The components assessed under external recruitment are attracting talented employees, transparency & effectiveness, young & dynamic organisation, confidence to accept industrial challenges and challenging organisational climate.

c. Selection process techniques

Employee selection process of the banking industry may have different outlooks on the actual work getting done. The components of this factor which undertook for examination are transparency & effectiveness, identification of required talents, expression of candidate's capability, industrial knowledge assessment and right fit for right job.

3. Training & Appraisal factors

a. Internal coaching

Coaching under organisation's environment may have different impact on employees. The components assessed in this factor are effectiveness of internal learning system, acquaintance of trends in the industry, top management attention, flexibility & effectiveness, skill enhancement and productivity.

b. Mentoring & Buddy system

Buddy systems are initiated by organisations to help fresher familiarise with his work during their initial months of employment. Mentoring is a complex relationship formed in longer or shorter period for professional development goals. The components which considered for study in this factor are employee friendly system, top management support, supportive organisation culture, superior support and ensure give and take policy.

c. Performance management system

Ensuring the performance of employees and organisation as whole, consistently meet up the goals set by effective and efficient manner is termed as performance management system. The components which took under examination of this factor are transparency, value employee awareness on performance, fairness & impartiality, productivity and recognition & reward.

d. 360 degree feedback

Give feedback of a particular employee by taking reviews from his colleagues, supervisors and subordinates is 360 degree feedback. The major sub elements of this factor are transparency, periodic collection of feedback, feedback review, identification of strength & weakness, performance improvement of both organisation and employees.

e. Rigorous assessment

This factor covers the need of repetitive assessment of employees in better work environment and the components which contributed to this factor are transparency & effectiveness, clarity in assessment process, employee confidence, learning ability and employee effectiveness.

4. Employee key factors

a. Compensation

This factor includes the benefits that an employee receives from their employer. Here the major components in this factor took under study are better salary package ,salary package is fairly attached with qualification and experience of employee, par with the rate of salary in the industry, transparency of monetary incentives provided and satisfaction

b. Employee engagement

The level of employee's commitment and passion towards their work and organisation is reflected in this components. Transparent and effective, equal opportunity for employees to learn and grow, Good works get appreciated, appreciate and recognise employee suggestions, and opportunities to participate decision making formulates this component.

c. Employee retention

Creating a positive work environment and retaining the employees should be effectively handled by the organisation. This component is constituted by organisation system, system appreciation by employees, supportive work culture, attrition rate and fair & impartial decisions by the organisation.

d. Industrial relations

Industrial relations contain components like industrial climate, cordial relationship, employee supportive policy, transparent and fair management decisions and equality.

Analysis & Discussion**[1]. Evaluation of talent management practices of manager respondents in banking industry in Kerala**

The table shows mean score analysis of talent management practices factors of banking industry in Kerala. The mean value of the variables job related factors, recruitment & selection related factors, training & appraisal factors and employee key factors are 4.03, 4.17, 3.9 and 3.62 respectively. All the values are above the statistical mean value of 3. Also the overall mean value of talent management factors is 3.93, which is also more than the value 3. As a result , the effectiveness of talent management practices factors in banking industry in Kerala is just moderate.

Table 1

Sl.No	Variables	Mean Score	SD
1	Job Related Factors	4.03	0.49889
2	Recruitment and Selection Related Factors	4.17	0.57599
3	Training and Appraisal factors	3.90	0.59532
4	Employee Key factors	3.62	0.47900
5	Talent Management Practices (Average)	3.93	2.10708

Source : primary data

From the above mentioned table 1, mean score analysis is restated with the help of significance test viz chi-square test for goodness of fit and Mann-Whitney test which is explained in the upcoming paragraphs.

Table 2: Chi-Square test for goodness of fit of the effectiveness of Talent Management Practices in the banking industry in Kerala.

Effectiveness of Related Talent Management Practices	Frequency	Per cent	Chi-Square Value	P Value
Low	128	26.7	44.71	<0.001**
Moderate	229	47.7		
High	123	25.6		
Total	480	100		

Note: ** denotes significant at 1% level

The Chi-Square test for goodness of fit of the effectiveness of talent management practices in the banking industry in Kerala is shown in the table 2. The P value displayed in the table is less than 0.01 at 1 per cent level of significance. Therefore the effectiveness of the talent management practices in banking industry is moderate.

The table displayed above helps to understand that majority of the manager respondents was opined that the effectiveness of talent management practices in the banking industry in Kerala is moderate. Thus it can be concluded that the effectiveness of talent management practices in the banking industry in Kerala is moderate.

[2]. Evaluation of identifying the relation between talent management practices and employee performance in banking industry in Kerala

Testing of Hypothesis:

H₀: There is no significant relationship between Talent Management Practices and Employee performance.

H_a: There is a significant relationship between Talent Management Practices and Employee Performance

Table 3

Variables	Talent Management Practices	Employee Performance
Talent Management Practices	1	0.527**
Employee Performance	0.527**	1

** denotes significant at 1% level

The table 3 discloses the Spearman's Rank Correlation between Talent Management Practices and Employees Performance based on the opinion of employees in banking industry, is 0.527 at 1 percent level of significance. This means that based on the opinion of employees in both public sector and private sector banks, there exists 52.7 per cent of positive relationship between Talent Management practices followed by the banks and the performance of their employees. Hence it can be concluded that the Talent Management practices has positive correlation on the performance of employees in the banking industry. Therefore the null hypothesis (H₀) state that "There is no significant relationship between Talent Management Practices and Employee performance" stands rejected and the alternative hypothesis (H_a) is accepted that there exists positive correlation between Talent Management Practices and Employee Performance in banking industry in Kerala.

Conclusion

Managing talent in banking industry is a problem that needs constant attention. Also the factors like job related factors, recruitment & selection related factors, training and appraisal factors and employee key factors are found to be moderate impact on the effectiveness of banking employees. Another important fact found out from the study and analysis is that there is a positive association of talent management practices and employee performance in the banking industry of Kerala. So from these findings it is evident that talent management practices indeed have a stronger impact on the overall performance of the employees as well as organisation. In order to keep a steady

growth and healthy working environment in the banking industry, talent management practices are to be followed.

References

- [1]. PwC Saratoga India (2012), "India Inc struggles with talent retention", Retrieved from <http://www.pwc.in/press-releases/pwc-hce-survey.jhtm>
 - [2]. Lisa Joyce, "Banking's Digital Talent Crisis: Who Will Fill the Tech Void?" Financial Brand , January 16, 2018.
 - [3]. Ms. SrividyaPrathiba.C.SandDr.LalithaBalakrishnan (2014),"A Study On Talent Management Strategies In Private Sector Banks ",AMET International Journal of Management 71 ISSN 2231- 6779 / Jan - June 2014
 - [4]. Hitu (2015), "Talent Management Scenario in the Private and Public Sector Banking Industry", International Journal of Enhanced Research in Management & Computer Applications ISSN: 2319-7471, Vol. 4 Issue 10, October-2015.
 - [5]. Singh Sultan et. al. (2016) "Impact of Talent Management Practices on Employees" Performance", International Journal of Science Technology and Management. Vol. No. 5, Issue no. 8, August 2016.
 - [6]. Mourougan, S. (2015). Succeeding at succession through talent management to retain intellectual capital for business continuity. IOSR Journal of Business and Management Ver. III, 17(4), 2319-7668.
 - [7]. M. Dhanabhakyaam& K. Kokilambal. (2014). A Study on Existing Talent Management Practice And Its Benefits Across Industries\n. Impact: International Journal of Research in Business Management (IMPACT: IJRBM), 2(7), 23-36.
-