IMPACT OF TALENT MANAGEMENT PRACTICES ON EMPLOYEES’ PERFORMANCE IN PRIVATE SECTOR BANK

Hitu
Research Scholar, Institute of Management Studies and Research, Maharshi Dayanand University Rohtak.

Satyawan Baroda
Professor, Institute of Management Studies and Research, Maharshi Dayanand University Rohtak.

ABSTRACT
The present study attempts to examine the impact of talent management practices on employees’ performance in selected private sector banks. Primary data has been collected through pre-tested structured questionnaire. For the purpose of data collection, a sample of 102 employees working in the private sector banks of Haryana is taken on the basis of judgement sampling. The collected data is analyzed with the help of factor analysis. The finding indicates 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.

Key words: Talent, Employee, Performance, Banks, Factor


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1. INTRODUCTION
Talent management is new and important concepts in the Human Resource Management. Talent management is recognizing employees’ personal skills, abilities and offering him a suitable job. It is primary responsibility of Human Resource Management is to employ right talent at right place. It increases the productivity of the organization. Thus talent management is an important for both the organization and employees. It increases productivity of the organization and develop the personal skill of employees.
Indian financial system have been changed since 1990’s (Herd et. all 2011). Since there economic and financial sector reforms have reinforce the Indian economy and transformed banks and financial institution in the country. Because of that lot of opportunity in the banking sector been emerged for youth. This has lead to the talent crunch. Need for recruiting and retaining talent in the banking sector emerged.

Talent is the sum of a person's abilities his or her intrinsic gifts, skills, knowledge, experience, intelligence, judgment, attitude, character and drive. It also includes his or her ability to learn and grow (Beechler and Woodward)[1].

Talent Management in organizations is not just limited to attracting the best people from the industry but it is a continuous process that involves sourcing, hiring, developing, retaining and promoting them while meeting the organization requirements simultaneously. For instance, if an organization wants the best talent of its competitor to work with, it needs to attract that person and offer him something that is far beyond his imagination. Only hiring him does not solve the purpose but getting the things done from him is the main task. Therefore, it can be said that talent management is a full-blown process that not only controls the entry of an employee but also his or her exit. Talent is defined as a natural ability which is separate from learned knowledge or skills and can be further developed and enhanced with practice and learning. Talent is accredited to those individuals that have the potential to make a positive impact on ‘organizational performance either through their immediate contribution or in the longer term by demonstrating the highest levels of potential’. Talent, in the context of the workplace, provides a distinction between those individuals that have the potential to make a difference, and the rest of the workforce. Those identified as talented are usually linked with leadership and managerial, technical or specialist positions. Thus, talent serves to refer to those limited number of people who possess the highest quality of managerial and leadership skills who take the organization to the next level (Garg and Rani)[2].

To achieve success in business, the most important thing is to recognize the talent that can accompany you in achieving your goal. Attracting them to work for you and strategically fitting them at a right place in your organization is the next step. It is to be remembered that placing a candidate at a wrong place can multiply your problems regardless of the qualifications, skills, abilities and competency of that person. How brilliant he or she may be, but introducing them at a wrong appointment defeats the sole purpose. The process of talent management is incomplete if you’re unable to fit the best talent of the industry at the place where he or she should be. Some organizations may find the whole process very unethical especially who are at the giving end (who loses their high-worth employee). But in this cut-throat competition, where survival is a big question mark, the whole concept sounds fair. Every organization requires the best talent to survive and remain ahead in competition. Talent is the most important factor that drives an organization and takes it to a higher level, and therefore, cannot be compromised at all. It won’t be an exaggeration saying that talent management is a never-ending war for talent.

2. REVIEW OF LITERATURE
The various articles on different aspects of talent management practices appeared in journals/magazines are restrictive in nature and do not give a comprehensive picture. Heinen and Neill (2004)[3] stated that managing the talent is difficult and time-consuming, but very rewarding. Senior management might have the best intentions for developing people but failed to invest the time and resources needed to realize the benefits. Organizations with long-term and sustained success are those that focus on growth and achievement by attracting and retaining the best talent. They concluded that the talent management is business task not a
human resource or administrative task. They gave more preference to ‘A’ grade employees and focused on developing talent pools and career path as also tried to create a balance between organization and individual needs. They also introduced talent review session annually for high potential professionals to review the talent policies.

Blackman and Kennedy (2005)[4] discussed the possibility of growing tension between employee progression and capability development which emerged as a result of talent management strategies. They focused on potential problems with the implementation of talent management systems which emerge through overly fast promotion, reduction in development effectiveness, feelings of inequity by those not recognized as ‘talented’ staff and lack of support within the organization. They also discussed the solution for retention of talented people which are succession planning, career development, good salary and work life balance.

Lewis and Heckmen (2006)[5] identified three distinct strains of thought regarding talent management. First and foremost are those who consider talent management as substitute of HRM. They also limited their focus to particular HR practices such as recruitment, selection, leadership development and succession planning. A second perspective emphasized on development of talent pool focusing on projecting employee/staffing needs and managing the progression of employees through positions. The main focus is on understanding of internal workforce. The third perspective focused on management of talented people.

Beechler and Woodward (2009)[6] described the rapid, complex and pervasive changes that will continue to impact labour and talent both in terms of quality and quantity. Global demographic and economic forces to the increasing mobility of people and organizations, the business environment is more demanding and complex. There are knowledge-driven industry transformations as well as cultural changes within businesses and in individuals' views on career life cycles. These require higher cognitive capabilities, extensive relationship management, leadership skills and new human resource, development and career processes. There is a much wider diversity in culture, gender, working generations and modes of employment than ever before. These can be sources of advantage to be leveraged or conflict to be managed. Despite today's global financial circumstances, the capacity of organizations to attract, develop, motivate and retain talent will remain a critical strategic issue for the 21st century's knowledge economies.

Kumari and Bahuguna (2012)[7] described that demand for oil and gas is constantly increasing and on the other hand, there are work force related issues. Such a scenario has put oil and gas companies into war for talent. The objective of this study was to examine the impact of talent management on employee creativity, motivation, career and competency development. They used ‘Multiple regressions’ method for analysis the collected data. Basic problems of oil and gas sector are lack of awareness amongst people about the importance and attractiveness of the sector, declining interest of the people towards science and technology, high degree of risk associated, lack of institutions offering specialized courses specific to oil and gas industry. The key human resource challenges faced by the industry are bulk retirement, attrition, attracting talent and inadequate supply of talent from institutes. The results of the study illustrated that talent management is directly and positively associated with employee engagement.

Chauhan and Bhatt (2015)[8] discussed about liberalization of the Insurance sector has allowed the foreign players to enter the market with their Indian partners. Most of the foreign insurers have joined within the local market. India offers immense possibilities to foreign insurers since it is the world's most populous country having over a billion people. Private and Foreign entrants in the insurance industry made others difficult to retain their market. Talent
management refers to the process of developing and integrating new workers, developing and keeping current workers and attracting highly skilled workers to work for company. The objective of current study is to identify factors which are affecting talent management activities. Talent management system not only helps to retain the intellectual assets, but also maintains and sustains the employees. The foregoing review of literature reveals that there is no academic research conducted in private banking sector to examine the impact of talent management practices on employees’ performance. Therefore, the present study is undertaken to fill the gap in the literature.

3. OBJECTIVES OF THE STUDY
The present study is conducted to identify the impact of talent management practices on employees’ performance in private sector banks in Haryana.

4. DATA COLLECTION AND DATA ANALYSIS
To achieve the objective of the study, a sample of 102 respondents is taken on the basis of judgment sampling. The primary data has been collected through pre-tested structured questionnaire from the employees of Kotak Mahindra Bank, Axis Bank, IndusInd Bank, ICICI Bank and HDFC Bank. The collected data are analyzed with the help of factor analysis.

5. RESULTS AND DISCUSSIONS
KMO i.e. Kaiser-Meyer-Olkin test measures the adequacy of the sample. KMO is also known as data validation test. If the test indicates the result that is higher than 0.50 than the sample data is adequate enough to carry out the factor analysis. KMO and Bartlett’s Test is 0.782 which is greater than 0.50, Therefore factor analysis can be carried out (Table-1). Factors of talent management with factor loading and communalities (Table 2) shows the six factors that have been extracted using varimax rotation method. Factor 1 has 8 statements, Factor 2 has 5 statements, Factor 3 has 4 statements, Factor 4 has 2 statements, Factors 5 has 2 statements and Factor 6 has 2 statements. For the purpose of analysis, finally 6 factors have been labeled, which had a factor loading greater than or equal to 0.50 percent. Total percent of variance is 61.081.

**Factor 1: Employees’ Motivation**
Factor 1 ‘Employee Motivation’ includes eight statements that helps in increasing the motivation level of employee such as other benefits and perks apart from salary, career progression linked to performance, recognition/ praise for talented work, encourage to identify and update their talents, technical and soft skills training, meaningful pay differentiation to high performers through both base and variable pay, fair treatment of employee on basis of target achieved and healthy and cooperative work environment. It accounts for 17.804 percent of total variance.

**Factor 2: Employees’ Satisfaction**
Factor 2 ‘Employees’ Satisfaction’ includes five statements such as salary differentiation linked with achievable targets, clear picture of skills needed for individual progression, supportive environment to have a balance between work and personal life, developing collaborative skills and customer service skills through changing the behaviour of individuals. It accounts for 11.956 percent of total variance.
Factor 3: Employees’ Creativity
Factor 3 ‘Employees’ Creativity’ includes four statements like higher salary than competitor provides for same job, encourage to innovate and learn from mistakes, competitive work environment to prove himself/herself and learning opportunity by challenging task. It accounts for 9.471 percent of the total variance.

Factor 4: Employees’ Competency
Factor 4 ‘Employees’ Competency’ helps the employees to enhance his/her competency. It includes the statements like application and sharing of knowledge and leadership quality to encourage people to achieve target. It accounts to 7.792 percent of the total variance.

Factor 5: Employees’ Efficiency
Factor 5 ‘Employees’ Efficiency’ includes two statements such as regular and constructive feedback and reducing the work load of employee to reduce stress. It accounts to 7.648 percent of total variance.

Factor 6: Employees’ Development
Factor 6 ‘Employee Development’ includes two statements such as linking of promotion policy to performance and experience and develop collaborative skill. It accounts to 6.411 percent of total variance.

6. CONCLUSIONS AND POLICY IMPLICATIONS
The results of the study illustrated that talent management practices have direct impact on employee motivation, employee satisfaction, employee creativity, and employee development and employee competency in the selected banks. Employee performance improves by using right talent management practices. Employees feel highly motivated through talent management practices of other benefits than apart from salary and healthy and cooperative work environment. The finding revealed that activity which provides high satisfaction to employee is meaningful salary differentiation linked with achievable target and collaborative skills. Employee competency improves through leadership quality to encourage people to achieve the target. Based on the analysis, it is recommended that there should be healthy and stress free working environment for his employees, opportunity for career progression, regular training regarding new technology and complete knowledge of his routine work to employee leads to better performance in banks. Banks should welcome new and innovative ideas of the employees. Challenging and achievable task should be given to the employees, which will help them to increase their creativity and innovative thinking. Regular promotion in the organization is required by every employee, but promotion policy should be transparent and based on performance and experience. Pay differentiation should be visible to each employee otherwise it will create grievances and feeling of dissatisfaction among them in future. The feelings of dissatisfaction reduce the efficiency of employees and affect the goodwill of banks badly. Highly talented employee always provides a competitive advantage to the organization.
Impact of Talent Management Practices on Employees’ Performance in Private Sector Bank

Table 1: KMO and Bartlett’s Test

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<td>Kaiser-Meyer-Olkin Measure of Sampling Adequacy.</td>
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<td>Bartlett’s Test of Sphericity</td>
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REFERENCES


