

Dissemination of Talent Management Strategies with special reference to Indian Banks: An Employee Perception

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Abstract: Talent management is an emerging topic in the field of human resource management. This particular topic of research is not only important for scholars but also for the industries operating in the competitive world. Most of the studies focused on private sector employees to know their perspective regarding talent management system but limited coverage is being given to public sector. Hence the current study aimed at analyzing the perception of public sector employees working in Indian banks for identifying the various practices for talent management. The researcher further investigated the impact of these practices on affective commitment level of employees. The study is based on survey conducted over 480 employees in 12 Indian public sector banks operating in Delhi-NCR region of India. The study used various tools and techniques for achieving the aforesaid objectives such as regression, exploratory factor analysis, and descriptive analysis. The results of factor analysis identified four practices of talent management which are developing, acquisition, succession planning and retention of employees. Further regression analysis was conducted to test the influence of talent development, talent acquisition, and succession planning and talent retention on the affective commitment of employees working in Indian public sector banks. The study contributes to the inconsistent research paradigm of the topic by clearly specifying the talent management activities and its role in the level of commitment.

Keywords: Acquisition, Talent management, Retention and Succession planning

Introduction

Due to the unprecedented complexity and uncertainty prevailing in the marketplace, the significance of talent management has grown manifold. It is considered as more strategic decision and process to be planned and implemented in the industry. The most vital source of competitive advantage is the talent owned by the firm in the form of human resources. These talented humans will be the ultimate differentiator in the market. The performance of

the firm will improve as with the unique competency acquired by the employees is being managed properly. The concept of talent management is context specific as context in which it is used has different impact on the results. Hence there may be different set of policies for managing workforce in developed and developing economies. One major challenge faced by the organizations in the turbulent environment is keeping employees in the firm for a longer period

of time. The retention of employees is a keen concern for the organizations. An organization can retain employees by implementing adequate strategies for talent management. Therefore it is important for the managers to acquire, hire and retain the right kind of personnel. The word 'right' has multiple values attached as organizations consider several skills in the employees to be classified as right kind of personnel. The organizations want to acquire people with unique skills with multitasking abilities. But, the real challenge faced by the organizations in acquiring the right kind of people is to differentiate talented person from rest of the employees available. Thus talent acquisition is a very challenging yet crucial decision. The planning and dissemination of talent management system is dependent upon effective organizational structure. A proper set up is essential for the successful implementation of talent management structure. Thus an effective organizational structure will lead to successive talent management process, which ultimately helps in engaging and retaining employees.

Literature Review

An in depth study of literature was conducted in order to assess the research problem and hypothesis formulation. The literature review helped in understanding the concept of talent and talent management along with its system and strategies.. Barney and Wright (1998) conducted a theoretical assessment of different aspects of human resources based upon the VRIO framework. The study focuses on the analyzing the importance of valuable, rare, inimitable and organizational resources in order to have competitive benefit over their competitors. The development needs of the employees were focused in order to have organizational success. Gunesh and Maheshwari (2018) analyzed the role of human resources in effective business strategy. It was suggested that there must be coordination among the talent management policies and business strategy. The main and impactful talent management practices suggested by the researcher was hiring and on boarding of talented employees, career progression and development, training, recognition, rewards and leadership.

Ashton and Morton (2005) emphasized the importance of business strategy in effective talent managing strategy to achieve business goals of the organization. First Data Corporation and Reuters were selected as two cases for the study. The organizations were chosen for decoding the strategies used for managing the talent. The study helped in identifying five common talent management strategies in these organizations. The paper also emphasised the role of demographic factors in effective talent management practices. Chugh and Bhatnagar (2006) used case study method to analyze talent management practices in multiple firms. The study compared implemented practices for talent management in both corporate and government enterprises. The study provided a framework for effective strategies of talent management along with its elements. Dive (2009) investigated the relevance of talent management practices in banking sector of Europe. The results indicated that the European banks lack good talent management planning and dissemination. They underestimate the role of the employees in successful banking enterprise. They own large number of human resources but they were underutilized by the European banks. The main activities used for managing the workforce were identified as adequate skills and competencies, accountability, effective structure for organization etc. Anand (2011) investigated the practices used by Bharti Airtel India for managing the talent in their organization. The various strategies used by the firm were acquisition and identification of talented personnel, differentiating talent, development and retention strategies for talented personnel. The research further revealed some major impact on talent management such as enhanced engagement and retention, growth of employees and performance of firm. Mohammed et al. (2020) investigated the best talent management policies adopted in Australian higher education. The study was based on a mixed approach by using both qualitative and quantitative methods of research design. The researcher identified three main talent management activities which were talent attraction, talent development and talent

retention. The study concluded that Australian universities are more concerned about attracting the talented employees followed by talent retention practices and lastly least focus is on talent development activities. Hughes and Christensen (2021) investigated the role of talent management during Covid 19, which is a case of unprecedented disruption. The results identified various innovations in talent management practices due to Covid 19 such as downsizing and pay cuts of employees, training and development, acquiring new talent, safe and fun working environment, improved pay and benefits, social equity, sustainability, leadership and effective communication. The main barrier was poor work life balance, long working hours, inadequate compensation and ineffective managers. Jooss et al. (2023) provided an integrative conceptual model for talent management which comprised of input necessary for talent management process such as coordination, trust, environment and potential inhibitors. The input will help in implementing the process by using the strategies of talent attraction, development and retention. Finally the input used to implement the talent management system will help in achieving various outcomes such as stronger talent management system, knowledge gain, improved firm performance, stronger relationships, developing talent pipelines, enhanced knowledge, skills and capabilities and finally developing high potential talent. Groenewald et al. (2024) examined the theoretical aspects of talent management with the help of a systematic literature review. The in-depth analysis of literature provides insight into the multifaceted nature of talent management. It includes several activities than just recruitment and selection such as developing, retention and succession planning. The research further identified challenges for organizations such as changing nature of jobs, emergence of gig economy and matching talent management strategies with foreseen organizational objectives.

Significance of the Study

The research study has an inevitable significance as it will be extremely helpful for the banks to

know and understand the success of the dissemination of their talent management practices. The study will discuss the characteristics of the employees based on their age, qualification, work experience etc to signify the relevance of these demographic factors in dissemination of practices. The study is also relevant in this era of modernisation as the young and dynamic generation of population has taken over the banking sector thus creating an urge to exemplify the effects of these practices on the affective commitment level of the employees.

Objectives of the Study

The study focused on three main objectives which were derived from the research gap identified from the extensive review of literature. The first part of research examined the socio-economic characteristics of the managers in Indian public sector banks. The next aim was to investigate the strategies of talent management used by public sector banks of India for their employees. Lastly, the study investigated the influence of talent management practices on the affective commitment of employees.

Hypotheses of the study

H_a: A structured talent development program positively correlates with employee's commitment.

H_b: A structured talent acquisition program positively correlates with employee's commitment.

H_c: A structured succession planning program positively correlates with employee's commitment.

H_d: A structured talent retention program positively correlates with employee's commitment.

Research Method

The research study is descriptive cum exploratory in nature as it defines and identifies various strategies for talent management by Indian public sector banks. The sample size was determined and hypotheses were framed for testing. A sample

of 480 employees was collected from the target respondents working in Delhi NCR region. There are two major sources for gathering of data, first one is primary and second is secondary. The study used primary sources of data collection from Indian public sector banks. The employees working at level 1 and 2 were approached for collecting data. The data was collected using both online and offline sources. For online collection of data, the Google form was created and the link was shared through Email and Whatsapp. The researcher personally visited to the banks for collecting the data in offline mode. An initial analysis of data was conducted using pilot study method. The four statements were deleted based upon the results and communalities value. The techniques used for data analysis are descriptive statistics analysis, regression and principal component matrix.

Results

The quantitative study is based on the responses collected and analyzed from 480 employees working in public sector banks, operating in Delhi NCR region. The data was collected using convenient random sampling method. The first objective analyzed the socio-economic characteristics of the employees. The first objective is achieved by analyzing the demographic characteristics of the respondents.

Thus Table 1 presents a comprehensive overview of the demographic profile of the participants in the study. Each factor is represented in a separate section of the table, providing valuable insights into the characteristics of the individuals included in the study. The diverse representation of gender, age, work experience, educational background, and annual income ensures a robust and inclusive analysis, helping researchers draw meaningful conclusions from the data.

Table 1: Socio Economic Profile of Sample Respondents

Characteristics	Frequency	Percent (%)
Gender		
Male	268	55.80
Female	212	44.20
Total	480	100
Age (in years)		
20-30	123	25.60
31-40	310	64.60
41-50	22	4.60
51-60	25	5.20
Total	480	100
Work Experience (in years)		
0-5	164	34.20
5-10	214	44.60
10-15	70	14.60
15-20	13	2.70
20 and above	19	4.00
Total	480	100
Educational Background		
Graduate	187	39.00
Post graduate	290	60.40
Others	3	0.60
Total	480	100
Annual Income		
Below 6,00,000	108	22.50
6,00,000-12,00,000	252	52.50
12,00,000-18,00,000	99	20.60
Above 18,00,000	21	4.40
Total	480	100

Source: Author's Data

Table 2 provides the results of factor analysis using principal component method for identifying the practices used for managing the talent in Indian public sector banks. The term TD1, TD2, TD3, TD4 and TD5 represents the five statements for measuring the construct talent development.

The statement TA1, TA2, TA3 and TA4 collectively represents the construct of talent acquisition. Similarly, succession planning is being measured by four statements which are represented by SP1, SP2, SP3 and SP4. Lastly, TR1, TR2, TR3 and TR4 collectively measure the construct talent retention.

Table 2: Factor Analysis

Variables	Communality	TD	TA	SP	TR
TD1	0.710	0.748			
TD2	0.785	0.824			
TD3	0.612	0.780			
TD4	0.624	0.687			
TD5	0.713	0.754			
TA1	0.624		0.727		
TA2	0.656		0.774		
TA3	0.750		0.861		
TA4	0.654		0.770		
SP1	0.721			0.764	
SP2	0.628			0.792	
SP3	0.742			0.756	
SP4	0.635			0.780	
TR1	0.761				0.740
TR2	0.630				0.664
TR3	0.629				0.746
TR4	0.643				0.742
Eigen value		7.462	1.645	1.634	1.714
Total Variance explained (%)		19.367	18.405	15.883	14.751
Cumulative Variance (%)		19.367	37.772	53.655	68.406
Cronbach's Alpha		0.826	0.857	0.845	0.856

Source: Author's analysis

Table 3 provides the R² value of 0.574 which explains 57.40% of the variance in affective commitment of employees collectively by the all

the independent variables (talent development, talent acquisition, succession planning and talent acquisition).

Table 3: Regression Analysis

Independent Variables	Standardized beta coefficient	t-value	Sig. value
TD	0.154	4.406	0.001***
TA	0.237	5.702	0.001***
SP	0.341	7.613	0.001***
TR	0.245	4.365	0.001***
R²		0.574	
Adjusted R²		0.589	
Overall model: F_{4, 480} value		143.35	
Durbin-Watson		1.862	

Dependent variable: Affective Commitment

Note: Significance at: ***p<0.001

Discussion

The first section of the analysis shows the distribution of participants based on their gender. Out of the total 480 participants, 268 (55.8%) are male, while 212 (44.2%) are female. This indicates that the study has a relatively balanced representation of both genders, enabling more reliable and inclusive analysis of the data. The second section provides information on the age distribution of the participants. The largest group is the 31-40 years category, comprising 310 individuals (64.6%), followed by the 20-30 years group with 123 individuals (25.6%). This age distribution highlights a wide range of age groups, allowing for a diverse perspective in the study. The third section of the table focuses on the participants' work experience in the current bank. The majority of participants fall within the 5-10 years group, with 214 individuals (44.6%), followed by 0-5 years with 164 participants (34.2%). The other categories have smaller representations. This diversity in work experience allows for an analysis of perceptions and attitudes across various tenure levels. The fourth section focuses on the participants' educational background. The data is divided into three categories: Graduate, Post Graduate, and Others. The majority of participants have completed their Post Graduate studies, accounting for 290 individuals (60.4%), while 187 participants (39.0%) hold Graduate degrees. A smaller proportion of three participants (0.6%), fall into others. This educational diversity ensures a wide range of perspectives and qualifications among the study participants. The final section of the table displays the distribution of participants based on their annual income. The highest number of participants, 252 individuals (52.5%), fall into the 6,00,000-12,00,000 income range. The highest income category, Above 18,00,000, has 21 participants (4.4%). This income distribution represents varying financial backgrounds among the participants, contributing to a comprehensive analysis of the study's outcomes. In conclusion, this table provides valuable demographic insights into the participants of the study, allowing researchers to analyze and interpret the composition of the sample across different factors.

The study identified four vital practices used by Indian public sector banks which are termed as talent development, talent acquisition, and succession planning and talent retention. Every practice identified shows a good considerable level of Cronbach's alpha which is greater than 0.70. An important measure for conducting factor analysis is the value of communalities, which is again found to be satisfactory. Finally the factor analysis test was run on the data set of 480 respondents. The analysis revealed the four main strategies used for managing the employees of public banking sector. All the statements having factor loading more than 0.50 were retained in the study.

The adjusted R^2 value of 0.589, which is close to the R^2 value, signifies the explanatory power of model which remains similar even after accounting for the numbers of independent factors. The standardized coefficient (beta) suggests a positively correlated relationship between all practices and employees' commitment level. The p value in each case signifies the notable contribution of each practice on the commitment level of employees. This shows that these practices of managing talented employees has significant impact on the commitment level of employees.

H_a: A structured talent development program positively correlates with employee's commitment.

The above stated hypothesis is accepted as the relationship is significant at $p < 0.001$.

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H_d: A structured talent retention program positively correlates with employee's commitment.

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Conclusion

The present study investigated the practices for talent management that are being implemented for banking sector employees. The study makes a notable contribution by identifying four vital practices which are, developing, attraction, succession planning and retention practices. The second important finding of the research study is the contribution of these practices in the level of affective commitment displayed by the employees of public banking sector. The study underscores the importance of a comprehensive talent management approach that not only focuses on acquiring and developing talent but also emphasizes the retention and succession planning aspects. Organizations that prioritize these practices are more likely to create an environment where employees feel engaged, loyal, and emotionally connected to the organization's goals and values.

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