

TALENT MANAGEMENT PRACTICES: ARRESTING HIGH ATTRITION RATE IN BANKING SECTOR*

BY

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ABSTRACT

Retaining and developing the workforce is one of the biggest challenges that banks are facing today. With the entry of numerous non-banking financial companies as well as private and foreign banks in the market banks are facing the problems of high rate of turnover and low workforce engagement. Also, the nature of business of the banking sector has also undergone a lot of changes over a period of time. As a result, the demand for specialized manpower is also increasing. The banking system is a major contributor in the economic growth of any country, as it provides a diverse range of products as well as services to individuals, institutions, industries, foreign market etc. Banks permit all kinds of financial as well as non-financial transactions to certify the reliability and credibility of those transactions thus, for every country a strong banking sector and how vital is to take care of the employees working in it. Therefore, talent management has become an important aspect for banking industry. Therefore, from hire to retire, introducing a talent management program can be pivotal for the growth and development.

KEYWORDS

Fast – paced Circumstances, Banking Industry, Managing Talent, Employees' Attrition.

Introduction of Talent and Talent Management:

Talent:

A talent is often defined as an employee with all kinds of elements, from their educational qualifications and skills, previous experience, known strengths and additional training they have undertaken, their abilities, potential, motive, qualities and their personality etc. In the words of

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Maurice “Talent is an identifiable identity that is perceived to add immediate or future value to any prescribed activity, discipline or entrepreneur.

Talent Management:

Talent management is a set of business practices that manage the planning, acquisition, development, retention and growth of talent in order to achieve business goals with optimized overall performance. Talent management is not a one-off process rather it is an ongoing process that first involves placing the right person at right job with the right skills and at a right time so that they can help the business to achieve business goals effectively as well as efficiently. Thus, talent management includes on-boarding new employees and developing and retaining the current workforce to achieve goals of an organization. Besides this, as far as talent management strategy is concerned, specific roles have been assigned to everyone working in an organization such as

- the role of line managers, is to identify the potential as well as their training needs,
- the role of human resource manager, is to organize trainings programs time to time, to compile the data regarding employee’s turnover rates, and also analyze skill gaps, if any.
- the role of senior management, is to promote a learning environment in the organization and to support employee development initiatives, promotes employee’s development programs including career path planning and internal promotions.

Outline of Banking Sector :

In today’s dynamic and challenging economy, human resource organization in banking institutions ought to be more agile than ever in order to respond to quickly to the changing internal and external pressures as they poses challenges to achieve operational ability, develop future leaders through succession planning, improving effectiveness of workforce and to have an edge over its competitors. The banking sector has faced hardships in attracting the well qualified, motivated and trained employees that have abilities to provide the promised services through which an organization achieves its goals. Therefore, addressing the talent gap in the financial sector must be of a greater concern among banks both large and small banks. Banks often look to cut their surplus staff in order to minimize costs and increase profits. Moreover, demographic shifts in the workforce, such as the increasing prominence of millennial, who typically have less employer loyalty than previous generations, only aggravate these challenges.

Literature Reviews: Following are some reviews showing the need of talent management practices in banking industry:

1.	The talent management struggle in banking sector- efforts and achievements. The case of commercial bank from Romania	Paina and Bucur (2019)	110 employees Country-Romania	Descriptive statistics	The results of the study concluded that in the banking sector the type of talent management practices and tools used are being appreciated by the employees i.e. participants of the study and mainly the exclusive approach to talent management is prevailing there.
2.	Analysis of talent management and performance of employees in selected banks in Akure, Ondo state, Nigeria	Akinremi et al. (2019)	152 respondents from 5 banks Country-Nigeria	Descriptive statistics, Inferential statistics, Pearson product moment correlation	The results of study concluded that strategies such as job rotation, career development plans for employees, etc as well as certain factors such as alliance of employers and employees, retention strategies, etc. are having an impact over talent management in sampled banks. In addition to this, some suggestions are also given such as proper training facilities, adequate working environment, apart from attraction of talented workforce, their retention is of utmost importance.

3.	HRM and performance- the role of talent management as a transmission mechanism in emerging market context	Glaister et al. (2018)	800 firms Country- Turkey	Exploratory factor analysis , confirmatory factor analysis , structural equation modeling	The results proved that there is a positive relationship between human resource practices and talent management practices also it was indicated that if there is an alignment between HR strategy and business strategy it will have an impact upon talent management and firm's performance in such a manner that as the level of alignment increases between both of them it will result in positive influence of talent management over firm's performance.
4.	Talent management strategies as critical success factor for effectiveness of human resources information systems in commercial banks working in Jordan	Salameh Al-Lozi et al. (2018)	310 workforce Country-Jordan	Descriptive analysis , Multiple regression analysis , Path analysis , One-sample t-test	The study comes to the conclusion that talent management is regarded momentous in improving the efficacy of human resource management systems. Furthermore, some suggestions are also given such as there should be a link between rewards and performance, implementing, career development plans, managers should identify reasons behind leaving of organizations by

					employees, effectuating a proper human resource management system.
5.	Critical success factors, challenges and obstacles in talent management	Tafti et al. (2017)	15 Employees from automobile company. Country- Iran	Coding technique	The results of the study pinpoints the following viz. behavioral, Structural, managerial and environmental as hurdles and challenges that are coming in the way of talent management. In addition to this, managerial, structural and environmental are considered vital for a successful talent management program.
6.	HR Problems in Talent Management	Singh and Pooja (2017)	204 managers employed in banks and insurance of private sector respectively. Country: India	Judgment sampling, Mean, standard deviation, Independent sample	It was found that talent management practices have direct influence on human resource budgeting, shortage of right talent, feeling of insecurity, etc. thus it has been advocated that talent management must be defined as per the organization needs, unambiguous promotion policies, innovative ideas of

				t- test.	employees must be encouraged etc.
7.	The Effects of Talent Management on Service Quality: A Study on Commercial Banks in Egypt	Nafei (2015)	382 employees Country-Egypt	Alpha correlation coefficient, F-test, T-test, descriptive statistics, Multiple regression analysis	It has been found that there exists a positive association between talent management and service quality. Hence, it has been advocated that in order to attain comparative benefits over competitors, the organizations must concentrate over various aspects concerning talent management.
8.	An investigation of key strategies, practices and challenges facing talent management in IT industry	Bhatia (2015)	Employees belonging from multinational firms Country-India, Ireland	Purposive sampling, data reduction and display,	The aim of this study is to understand the perspective of managers towards management of talent employed at different levels in an organization. The study also throws light upon the fact that intention of firms behind performing the idea of talent management is to persuade the

					workforce for achieving goals, their career planning, succession planning, and getting edge over rivals.
9.	Exploring talent management practices: antecedents and consequences	Jyoti and Rani (2014)	Country-India	Based on Literature review	It has been inferred from the study that by effectively implementing practices appertaining to talent management results into various advantages in the favour of organization such as expanding of market share, increases firms reputation, high return on investment, getting an edge over rivals, favourable working environment, increased motivation and commitment levels of employees, feeling of contentment with jobs, augmenting existing skills of employees etc.
10.	To What Extent Talent Management in Saudi Arabian Banks	Ruwaili et al. (2013)	18 employees employed in 4 selected banks Country-Saudi Arabia	Thematic Analysis Technique using NIVO software	The findings of the study revealed that firms of Saudi Arabia are paying heed towards providing training as well as development facilities to the employees in order to upgrade their skills. Thus it can be concluded that firms there take note of the concept of talent management.

Why there is a need to embrace, adapt and learn Talent Management Practices by Banking Industry?

It is the people that help an organization to achieve competitive advantage in this tough and competitive era and thus, banks have to efficiently utilize these people during each phase right from their recruitment to their training as well as their development. With the number of seasoned bankers set to retire in the next 10 to 15 years, the industry needs to adapt to generational expectations and focus on bringing in qualified young talent. The banking industry needs to follow these talent management practices:

- **Attracting the top talent:** Having a strategic talent management gives the banking sector the opportunity to attract the most talented, knowledgeable and skilled employees. This also helps in creating a strong employer brand in the market that could attract potential talents, and in turn, contributes to their growth.
- **Motivating the workforce:** with talent management strategy helps organizations keep their employees motivated which help them to stay with the organization for a longer period.
- **Succession Planning.** Talent management equips companies with the tasks that require critical skills to plan and address the important and highly specialized roles in the workforce to its employees. This means that the company will have a continuous flow of employees to fill critical roles to help companies run their operations smoothly and avoid extra workload for others, which could lead to exhaustion.
- **Increase employee performance.** The use of talent management will make it easier for the companies to identify which employees will be best suited for the job that can lead to less performance management issues and grievances. It will also guarantee that the top talent within the company stays longer.
- **Performance Management:** processes which nurtures and supports the performances of employees and also providing them feedbacks.
- **Engaged employees** Talent management allows companies to make systematic and consistent decisions about the development of staff, which guarantees the employees' skills and development. Furthermore, employees will feel more engaged when there is a fair procedure for the development, which helps in increasing the retention rates that helps companies in meeting their operational requirements.

- **Retaining top talent.** Well-structured on-boarding practices leads to higher levels of retention which saves the organization's costs of recruitment, training and performance management cost in the long run.
- **Organization Culture:** development of a positive, progressive and high- performance work environment.
- **Improve business performance.** With the help of talent management an employee feel more engaged, committed, skilled, motivated, towards achieving business goals and objectives, which in turn, increases their client satisfaction and ultimately the performance of business.

Conclusion:

Talent management processes give organizations valuable metrics, performance motivators, insights into workforce skills, competencies and emerging leaders. Therefore, it must be concluded that, the future of the banking industry depends largely upon transforming the employees concerns such as promoting their work-life balance, embracing their diverse backgrounds and ideas, along with being socially responsible, are all a good start. Organization should consider their employee's as a form of investment, regardless of cost of recruiting and developing them as they are the only source through which an organization can gain advantage over its competitors and achieve its goals. By properly managing and developing the employees, an organization multiplies its developmental paths. Also, development helps an employee's to become more flexible and to adapt to market changes easily. An organization who doesn't want to lose their market share must remember how important talent management is for them. This vision empowers organizations to become more strategic in how they select, develop, retain, and helps employee to grow within the organization.

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