

Talent Management Scenario in the Private and Public Sector Banking Industry

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ABSTRACT

The research paper intends to explore the talent management scenario in the private and public sector banking industry. The banking sector becoming increasingly competitive and customer oriented, identification and management of talented personnel become the biggest challenge. The study explores the thrust and initiative on talent management in selected private and public sector banks. Key findings suggest that talent management initiatives are well developed in private sector banks compared to public sector banks in terms of rewards, remuneration and selection procedures. Public sector banks compensate in terms of job stability due to life time employment with post employment pension.

Keywords: Talent Management, Talent Acquisition, Retention Strategies, Talent Retention.

1. INTRODUCTION

Talent management is a professional term that gained popularity in the late 1990s. Talent management is concerned with sourcing talent, integrating and aligning talent, developing talent, engaging and rewarding talent, strategically deploying talent, and assuring there is an adequate talent pipeline to support the business as it moves toward its strategic goals (Ulrich & Brockbank, 2005). The idea of developing talent is not a new concept in any business. CEO A.G. Lafley of world's largest consumer company namely Procter & Gamble claims that he spends one-third to one-half of his time in developing talent (Holstein, 2005). Despite intense competition being the key to market development and success, organisations have failed to identify some of the major reasons which highlight why 'good performers' leave. Past Studies clearly states that one major reason why people leave their organisation is because of the organisation's failure to bring about a correlation between pay and performance. Human Resource experts in the industry believe matching the right blend of talent with the right job profile can lead to superior performance (Branham, 2001).

2. REVIEW OF LITERATURE

Any subject in the past 15 years has not received as much attention in the human resource management literature as 'talent management'. There is a cavalcade of literature produced by eminent scholars and experts like Ulrich (1989, 1996, 2005). It refers to the process of developing and fostering new workers through on boarding, developing and keeping current workers and attracting highly skilled workers at other companies to come work for your company. Hence, the literature review has been based on a variety of studies ranging from phenomenal studies to articles focused on the aspect of Talent management and related attributes identified for the study i.e. Culture, Performance Management and Retention Strategy.

FOR THE CONVENIENCE OF THE STUDY, THIS REVIEW OF LITERATURE IS ON FOLLOWING BASES:

- Studies on Trends of Talent Management in various sectors (especially Banks) in India.
- Reviews of studies on Retention Strategies, Talent Acquisition initiatives and Talent Management aspects in Banking Sector.

Although the subject of talent management is frequently discussed, there are only a few empirical studies to date analyzing the impact of talent management as a retention strategy. However, a number of studies linking talent management and

organizational performance have been published. These studies are mostly cross-sectional (e.g., Huselid and Becker, 1998; Ringo et al., 2008), but some others concentrate on particular sectors (ASTD and SHRM, 1999; Yapp, 2009) or specific sample groups (DiRomualdo et al., 2009; Joyce, Herreman, & Kelly, 2007; Gandossy & Kao, 2004). As a result, previous research has consistently found a positive relationship between talent management and organisational performance.

One of the key challenges that scholars have experienced over the past decade has been the unanswered questions regarding the definition and goals of talent management. As (Lewis & Heckman, 2006), conclude, there is “a disturbing lack of clarity regarding the definition, scope and overall goals of talent management”. This might be one reason why practitioners find its realization quite challenging but nonetheless extremely important for the company’s future (BCG, 2008; DGFP, 2009).

Today, the field of characterizations and explanations of the essence of talent management is immense. Nevertheless, three streams come into sight as several authors observed (e.g., Collings & Mellahi, 2009; Lewis & Heckman, 2006; Silzer & Dowell, 2010). A first stream emphasizes the human capital and therefore the definition of talent, a second stream sees Talent Management as “a process through which employers anticipate and meet their needs for human capital” (Cappelli, 2008), and a third stream perceives talent management as an instrument to reach economic outcomes. There is also some support for the theory that those organizations with a strong link from talent management practices to business strategy report higher (financial) performance outcomes (DiRomualdo et al., 2009; Huselid, 1995; Joyce et al., 2007; Ringo et al., 2008; Tansley et al., 2007).

Talent = Capacity to learn + capacity to think + capacity to relate + capacity to act accordingly and the values of the organization (Martin and Moldoveanu, 2003).

In today’s hyper-competitive environment, although the issue of attrition is considered as a major crisis in one organization, it could be perceived as —**talent acquisition** in the other organization where the employee joins. Therefore, taking the positive impacts of job-hopping into consideration, any HR intervention from an organizational point of view should be focused on decreasing the negative effects of attrition (Smart, 1999). All the literature recognizes that talent provides companies with a competitive advantage, and it shares a common concern not only that talent is scarce, but also that most companies are not doing enough to manage and retain what they have. As the greatest source of competitive advantage for any organization, (Pfeffer, 1998), human resources deserve the attention and time of managers more than any other organizational resource or asset.

NEED OF TALENT MANAGEMENT IN BANKING SECTOR (IBPS, 2010)

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. This study will explore Talent Management as retention strategy in banking companies.

3. RESEARCH GAP

After reviewing almost all the literature available in the related area of Talent Management following research gaps are found.

1. There may be lack of research on talent management study among public sector banks.
2. There may be a lack of research on talent acquisition initiatives in banks.

These issues constitute considerable research gaps and there is a need for further research in this area.

5. RESEARCH OBJECTIVES

- To study the present scenario of talent management in selected banks.
- To study talent acquisition initiatives in banks.
- To study talent retention initiatives in banks.

6. RESEARCH METHODOLOGY

- Research method: The research design is exploratory and descriptive in nature.
- Population: Banking Sector of India.
- Sample size: Selected Banks of India, present in Ahmadabad City.
- Sample selection procedure: 10 private sector banks and 10 public sector banks (based on market share). The sampling method adopted was judgmental sampling. Data collection and tools: The data collection took place through in depth interviews that were conducted with personals from the banking sector. The interview consisted of open ended questions inquiring regarding talent management initiatives in public and private sector banks.

Method for data analysis: The analysis shall be done with the help of SPSS (Statistical Package for Social Sciences).

7. FINDINGS

PARAMETERS	PRIVATE	PUBLIC
Present Scenario Of Talent Management	Talent Management is top priority for private sector banks. Talent Management is not the top priority for public sector banks.	Talent is identified by competency. Talent is identified by Results
Talent Acquisition	There are different sets of recruiters at different stages for acquiring talent. Department Head is responsible for recruitment Department Head is responsible for development of employees	Different sets of recruiters are not present at different stages. HR Staff is responsible for recruitment. Department Head is responsible for development of employees.
Talent Management Initiative	More Rewards are given. Working with employees to develop individual career path. Creating a culture that makes employees want to stay with the organization.	Rewards are given less comparatively. Providing Training Creating a culture that values employees work.
Talent Retention Initiative	Retaining current potential. Aged work force is present, so retention initiatives are not present.	Compensation is based on performance. Compensation is fixed for both performers and non- performers.

CONCLUSION

PRIVATE SECTOR BANKS

- Young Talent is dynamic; but they need good opportunities to explore themselves.
- Organizations should focus more on potential of the employees, for practising effective Talent Management.
- There should be fast track route available for talented candidates so that they can pursue their carrier goal.
- There should be an unbiased, reliable way to identify talented employees and also programs should be conducted for retaining those employees.
- Strength of the employee should be identified so that it can be used efficiently
- There should be a clear cut talent strategy in an organization, which is to identify high potentials to develop. Also a congenial work environment should be maintained to constantly motivate talent holders to retain them.

PUBLIC SECTOR BANKS

- Care should be taken for candidates' skills during recruitment; it should not be based only on entrance exams.
- Competition should be created between employees and rewards should be given for extra talent.
- Job rotation and promotion should be given on the basis of performance.
- Equal platform should be provided for all candidates to perform and encourage career growth for the potential.
- Talent management initiatives should be more.

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