A STUDY ON TALENT MANAGEMENT STRATEGIES IN PRIVATE BANKING SECTOR WITH REFERENCE TO THANJAVUR DISTRICT

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ABSTRACT

This study was conducted to determine the impact of talent management Practices on employee's performance in the private banking sectors. Random sampling technique was used to collect data for this research study. A questionnaire based on need items for the study was distributed among 68 employees of private banking sector for data collection. To check the association between HRM practices and employee's performance, t test statistical technique and regression analysis was applied on the data. To survive in the banking environment banks need to be equipped with talented and competent employees who are efficient and effective in their work. Hence, it is proved that independent variables contribute positively towards change in the dependent variable. The study sought to determine the how strategic talent management influence performance of private banks in Thanjavur district.

INTRODUCTION

This study is anchored by talent management model which demonstrates the importance of strategic talent management in an organizational setting, Equity and Hertzberg Two-factor theories. Warren (2008) argues that intellectual capital is an important component for any organizations survival. A well implemented talent management program is beneficial to both the organization and the workforce. It gives the organization a platform for growth and development by improving on efficiency and passion for the job (Ashton and Morton, 2005).

To survive in the banking environment banks need to be equipped with talented and competent employees who are efficient and effective in their work (Lawler, 2009). Private banks in thanjavur district is that consider talent management as an essential tool for enhancing organizational performance. This is achieved through providing quality and professional services in manner that meets customer satisfaction.

STRATEGIC TALENT MANAGEMENT

Davis (2007) defines talent management as the systematic attraction, identification, development, engagement, retention and deployment of those individuals who are of particular value to an organization, either in view of their high potential for the future or because they are fulfilling operational roles of the business. According to Lawler (2009) talent management is the conscious, deliberate approach that is undertaken to attract, develop and retain people with the aptitude and abilities to meet current and future organizational needs. Strategic talent management is concerned with the recruitment, selection, identification, retention, management, and development of personnel considered having the potential for high performance.

The importance of strategic talent management is that it creates a career path, and development and reward plan for the most talented people. This will ensure that the organizations hire the best professionals to achieve its superiority. Strategic talent management ensures organizations have the right people with fit skills located at right place to access business strategy. In fact, talent management includes complete set of process for recognizing, managing people to ensure successful business strategy that is compatible with the organization's vision and mission (Lawler, 2009).

STRATEGIC TALENT MANAGEMENT AND ORGANIZATIONAL PERFORMANCE

Ashton and Morton (2005) argue that most firms believe that recruiting and hiring competent employees as the tools for enhancing organizational performance since employees are seen as human assets of an organization. In a survey conducted by Bowman (2001), the results found that organizations that recorded better performances had talented employees.

Ashton (2005) emphasizes that talented employees are simple and easy to manage since they require minimal supervision to deliver quality services. They play an integral role in improving the quality of services in a manner that suit the needs of their customers. They make quick and accurate decisions to outdo their rivals through strategies that give the firm a competitive edge. This is consistent with a study conducted by Coetsee (2004) who argued that one of the key pillars of a successful organization is its ability to hire talented staff that creates value and success for an organization (Lewis and Heckman, 2006).

Operational performance is part of the organizational performance measures that demonstrates the fulfillment of operational goals within different value chain activities that might lead to subsequent organizational performance. The key indicators include growth in market share, product quality, patent filings and marketing effectiveness. In contrast, organizational performance can also be defined as the economic outcomes resulting from the interplay among an organization's attributes, actions and environment (Richard, 2009).

Even though most studies have explored the relationship between strategic talent management and organizational performance in different sectors especially in the service and retail sector, little focus has been laid on the finance sector in particular the banking sector. This study therefore attempts to investigate the influence of strategic talent management and performance at private banking sector in Thanjavur district.

RESEARCH OBJECTIVE

The objective of the study was to determine how strategic talent management influence performance of private sector banks in Thanjavur district

REVIEW OF LITERATURE

People respond to a feeling of inequity in different ways generally the extent of demotivation is proportional to the perceived disparity with other people or inequity, but for some people just the smallest indication of negative disparity between their situation and other people's is enough to cause massive disappointment and a feeling of considerable injustice, resulting in demotivation, or worse, open hostility. Some people reduce effort and application and become inwardly disgruntled, or outwardly difficult, recalcitrant or even disruptive (Adams, 1995).

Fegley (2006) report for the Society for Human Resource Management, talent management model involves an integrated strategy or systems that are designed to improve the processes of recruiting, developing and retaining people with the required skills and aptitude to meet current and future organizational needs. Talent management is fundamental to any human resource department.

This process enables new employees to become productive members of the organization, who understand expectations for their job roles. Onboarding goes beyond traditional orientation programs which focus mainly on managing policies, forms, and procedures. Strategic plan and goal alignment is the process of

developing and implementing plans to reach an organization's long-term goals and objectives. It is the roadmap to lead an organization from where it is now to where it would like to be in 3-5 years (Pruis, 2011).

Coetsee (2004) Managers must find ways to understand what drives each individual employee within the context of his or her role in the company. Every employee has a different reason for working. Some employees may be motivated by things like performance-based bonuses, a promotion, flexible working conditions or additional paid time off. Whatever the reason, employees must find some satisfaction in their work or they may become unhappy and unproductive.

DATA COLLECTION

This study used qualitative form of research. study used qualitative form of research design. The results of qualitative research were descriptive rather than predictive.

An interview guide was used for data collection purposes. Primary data was used since the nature of the data that was collected was qualitative. Primary data was collected by interviewing four departmental heads and employees.

DATA ANALYSIS AND INTERPRETATION

T test for significant difference between permanent and contract nature of employment with respect to factor of Talent Management strategy of bank employees

Factors of Talent Management strategy of bank employees	Nature of Employment				t value	P value
	Permanent		Contract			
	Mean	SD	Mean	SD		
Performance	7.88	1.91	5.86	.83	11.654	<0.001**
Readiness	10.86	2.42	7.54	1.41	15.053	<0.001**
Willingness	8.85	2.26	6.41	1.69	11.696	<0.001**
Criticalness	8.52	2.34	5.85	1.51	12.479	<0.001**
Potential	14.54	3.01	13.24	3.67	4.455	<0.001**
Overall Adoption of TMS	50.65	9.49	38.90	5.52	13.575	<0.001**
Identifying Talent	39.36	10.19	35.67	11.16	3.787	<0.001**
Talent Competency Assessment	26.33	6.2.1	22.80	5.37	6.099	<0.001**
Talent Management Strategy	39.64	12.03	32.22	13.99	6.410	<0.001**
Overall Assessment of TMS	105.33	23.85	90.69	28.22	6.364	<0.001**
Overall Impact of TMS	52.78	13.68	43.76	12.96	7.015	<0.001**
Induction	32.78	5.77	30.99	3.88	3.370	0.001**
Recruiting and Attracting	21.35	6.32	19.74	7.98	2.606	0.009**
Compensation and Rewarding	23.96	6.91	18.27	8.38	8.500	<0.001**
Displays Talent Management	16.58	4.71	14.76	6.53	3.897	<0.001**
Develop Others	24.38	6.42	25.19	9.29	1.262	0.207

Establishes and Maintains Positive Relationship	25.59	5.86	26.73	7.45	2.002	0.046*
Provides Meaningful and Challenging Works	21.28	4.76	19.54	6.62	3.694	<0.001**
Manages Work-Life Balance	19.46	6.02	17.20	7.88	3.840	<0.001**
Performance Management	37.80	8.35	36.06	10.55	2.148	0.032*
Succession Planning	20.55	5.61	17.74	6.34	5.224	<0.001**
Overall Performance through TMS	243.73	50.41	226.2.3	68.31	3.523	<0.001**

Note: 1. ** denotes significant at 1% level

    2. * denotes significant at 5% level

Since P value is less than 0.01, null hypothesis is rejected at 1% level with regard to performance, readiness, willingness, criticalness, potential, overall adoption of TMS, identifying talent, talent competency assessment, talent management strategy, overall assessment of TMS, overall impact of TMS, induction, recruiting and attracting, compensation and rewarding, displays talent management, provides meaningful and challenging works, manages work-life balance, succession planning and overall performance through TMS. Hence there is significant difference between permanent and contract nature of employment with regard to performance, readiness, willingness, criticalness, potential, overall adoption of TMS, identifying talent, talent competency assessment, talent management strategy, overall assessment of TMS, overall impact of TMS, induction, recruiting and attracting, compensation and rewarding, displays talent management, provides meaningful and challenging works, manages work-life balance, succession planning and overall performance through TMS. Based on mean score, talent management strategy of permanent nature of employment is better than contract in all dimensions because permanent employees have the sense of job security and hence they are ready, willing and have potential to work better and improve their performance.

Since P value is less than 0.05, null hypothesis is rejected at 5% level with regard to establishes and maintains positive relationship and performance management. Hence there is significant difference between permanent and contract nature of employment with regard to establishes and maintains positive relationship and performance management. Based on mean score, talent management strategy of permanent nature of employment is better than contract in most of the dimensions because of potential to work better and improve their performance.

There is no significant difference between permanent and contract nature of employment with regard to develop others, since P value is greater than 0.05.Hence null hypothesis is accepted with regard to develop others. This is due to the nature of work carried out by the IT industry which is time constraint and demand higher skill sets.

MULTIPLE REGRESSION ANALYSIS OF IMPACT OF TMS ON ADOPTION AND ASSESSMENT

Regression is the determination of statistical relationship between two or more variables. In simple regression two variables are used. One variable (independent) is the cause of the behavior of another one (dependent). When there are more than two independent variables the analysis concerning relationship is known as multiple correlations and the equation describing such relationship is called as the multiple regressjon equation.

Regression analysis is concerned with the derivation of an appropriate mathematical expression is derived for finding values of a dependent variable on the basis of independent variable. It is thus designed to examine the relationship of a variable Y to a set of other variables $X_1, X_2, X_3\ldots\ldots\ldots X_n$. the most commonly used linear equation in $Y = b_1 X_1 + b_2 X_2 + \ldots\ldots + b_n X_n + b_0$ Here Y is the dependent variable,

which is to be found. X1, X2, and Xn are the known variables with which predictions are to be made and b1, b2, .bn are coefficient of the variables.

In this study, the Dependent variable is Impact of TMS, Independent variables are Performance(X1), Readiness(X2), Willingness(X3), Criticalness(X4), Potential(X5), Identifying Talent(X6), Talent Competency Assessment(X7), Talent Management Strategy(X1) and analysis are discussed as follows:

Dependent variable   : Impact of TMS (Y)

Independent variables   1. .Performance (X1)

                             2. Readiness (X2)

                             3. Willingness (X3)

                             4. Criticalness (X4)

                             5. Potential (X5)

                             6. Identifying Talent (X6)

                             7. Talent Competency Assessment (X7)

                             8. Talent Management Strategy (X8)

Multiple R value   0.786

R Square value   0.618

F value   240.359

P value   <0.001**

Table - 2

Variables in the Multiple Regression Analysis

Variables	Unstandardized Coefficients	SE of B	Standardized Coefficients	t value	P value
Constant	10.394	1.495	-	6.951	<0.001**
X_1	0.710	0.173	0.099	4.097	<0.001**
X_2	0.390	0.150	0.072	2.594	<0.001**
X_3	1.359	0.176	0.228	7.709	<0.001**
X_4	1.877	0.195	0.326	9.622	<0.001**
X_5	0.110	0.102	0.025	1.077	0.282
X_6	0.120	0.041	0.089	2.960	<0.001**
X_7	0.386	0.052	0.173	7.465	<0.001**
X_8	0.597	0.034	0.535	17.649	<0.001**

Note: ** Denotes significant at 1% level

The multiple correlation coefficients are: 0.786 measures the degree of relationship between the actual values and the predicted values of the Impact of TMS. Because the predicted values are obtained as a linear combination of Performance (X1), Readiness (X2), Willingness (X3), Criticalness (X4), Potential(X5), Identifying Talent(X6), Talent Competency Assessment(X7), Talent Management Strategy (X8) , the coefficient value of 0.786indicates that the relationship between Impact of TMS and the eight independent variables is quite strong and positive.

The Coefficient of Determination R-squaremeasures the goodness-of-fit of the estimated Sample Regression Plane (SRP) in terms of the proportion of the variation in the dependent variables explained by the fitted sample regression equation. Thus, the value of R square is 0.618 simply means that about 61.8%

of the variation in adjustment is explained by the estimated SRP that uses Performance, Readiness, Willingness, Criticalness, Potential, Identifying Talent, Talent Competency Assessment, Talent Management Strategy as the independent variables and R square value is significant at 1 % level.

The multiple regression equation is

$$Y = 10.394 + 0.710X1 + 0.390X2 + 1.359X3 + 1.877X4 + 0.110X5 + 0.120X6 + 0.386X7 + 0.597X8$$

Here the coefficient of X1 is 0.710 represents the partial effect of Performance on Impact of TMS, holding the other variables as constant. The estimated positive sign implies that such effect is positive that Impact of TMS would increase by 0.710 for every unit increase in Performance and this coefficient value is significant at 1% level. The coefficient of X2 is 0.390 represents the partial effect of Readiness on Impact of TMS, holding the other variables as constant. The estimated positive sign implies that such effect is positive that Impact of TMS would increase by 0.390 for every unit increase in Readiness and this coefficient value is significant at 1% level. The coefficient of X3 is 1.359 represents the partial effect of Willingness on Impact of TMS, holding the other variables as constant. The estimated positive sign implies that such effect is positive that Impact of TMS would increase by 1.359 for every unit increase in Willingness and this coefficient value is significant at 1% level. The coefficient of X4 is 1.877 represents the partial effect of Criticalness on Impact of TMS, holding the other variables as constant. The estimated positive sign implies that such effect is positive that Impact of TMS would increase by 1.877 for every unit increase in Critical ness and this coefficient value is significant at 1% level. The coefficient of X5 is 0.110 represents the partial effect of Potential on Impact of TMS, holding the other variables as constant. The estimated positive sign implies that such effect is positive that Impact of TMS would increase by 0.110for every unit increase in Potential and this coefficient value is not significant at 5% level. The coefficient of X6 is 0.120represents the partial effect of Identifying Talent on Impact of TMS, holding the other variables as constant. The estimated positive sign implies that such effect is positive that Impact of TMS would increase by 0.120 for every unit increase in Identifying Talent and this coefficient value is significant at 1% level. The coefficient of X7 is 0.386represents the partial effect of Talent Competency Assessment on Impact of TMS, holding the other variables as constant. The estimated positive sign implies that such effect is positive that Impact of TMS would increase by 0.386 for every unit increase in Talent Competency Assessment and this coefficient value is significant at 1% level. The coefficient of X8 is 0.597 represents the partial effect of Talent Management Strategy on Impact of TMS, holding the other variables as constant. The estimated positive sign implies that such effect is positive that Impact of TMS would increase by 0.597 for every unit increase in Talent Management Strategy and this coefficient value is significant at 1% level.

Based on standardized coefficient, Talent Management Strategy (0.535) is the most important factors to extract Impact of TMS, followed by Criticalness (0.326) and Willingness (0.228).

CONCLUSION

The study concluded that the most commonly used strategic talent management practices used by private Bank were as follows: performance-based reward system which included; annual bonuses and salary increments, performance-based promotions, training programs and performance was measured based on well communicated specific, measurable, accurate, realistic and time bound targets and objectives. Regular training programs were held both internally and externally, this was intended to sharpen employees' skills and knowledge. More resources and facilities in talent management, employees were deemed as essential assets for the bank whose full exploitation yielded the bank better results. Performance reviews were undertaken by ensuring that employees' skills and abilities were matched into their work, training and dynamic leadership to create a platform for creativity and innovation which were key drivers of performance.

RECOMMENDATIONS

The empirical findings concluded that strategic talent management contributed to improved performance. The study therefore recommends that the policy makers should set policies that promote and support commercial banks to adopt and implement strategic talent management in order to explore their employees' full potential and effective utilize it towards improving performance.

The study further recommends that private banks should integrate strategic talent management programs in their strategic plans. This will ensure that the banks have skilled and competent employees who can share in the same vision and thus work towards realizing similar goals and objectives.

The banks should use strategic talent management program to recognize and reward employees who show exemplary performances. This will motivate and encourage employees to work extra-harder to realize the bank's strategic goals and objectives. This will create a working culture that will unite the employees in the vision.

LIMITATIONS OF THE STUDY

The study was limited to scope; it only concentrated with privat Bank therefore the findings obtained in this study cannot be however used to make generalization for all private banks in Thanjavur district. These findings can only be used for comparative purposes and not direct application to any another sector.

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