

## TALENT MANAGEMENT PRACTICES INFLUENCE THE BANKING PERFORMANCE

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### ABSTRACT

*Each person has a unique talent that fits a particular job description. Talent management is defined as identifying an individual's innate skills, personalities, and career. Talent management was initially intended to improve the hiring and advancement of individuals who possess the primary competencies and aptitudes needed to meet the demands of the firm. Talent management focuses on recruiting, developing, engaging, performance appraisal, and succession planning in the talented employees. This study looks at how talent management strategies affect the performance of private sector banks. Hence, the management of talent is one part of private banks its banking performing level has been increased from the employee's performance through the talent management practices is to employee performance level easily identified.*

**Key words:** Banking Performance, Performance appraisal, Succession planning, Talent Acquisition, Talent Development, Talent Management.

## Introduction

Talent management indicates spotting a person's inherent skills traits, personalities and offering the similar work. Each individual has a unique talent that costumes a particular job profile. "Globally, companies are placing a greater emphasis on talent management. The original goal of talent management was to enhance the hiring and advancement of individuals who possess the primary competencies and aptitudes needed to satisfy the demands of the firm. Finding and keeping brilliant people is a top priority for businesses due to competition and a lack of highly qualified and talented workers." (Fegley, 2006)<sup>1</sup>. Compared to public sector banks, private banks use talent management more successfully. Their HR practices are more effective and based on information and communication technology (ICT). The banks' talented employees have improved banking's efficiency and customer experience. The private banks prioritize staff with higher levels of education and skill.

In the Indian banking industry, which is highly competitive and challenging, the role of the employee in the success of the business is inevitable. The private banks have a constructive human resource management department that focuses on recruiting, developing, engaging, performance appraisal, and succession planning in the talented employees. The HR practices are most effective and ICT based. The talented employees in the banks have made banking more efficient and customer friendly. This paper analyzes the influence of talent management practices in the performance of the private sector banks.

## Literature Review

"Recruiting and talent acquisition (TA) are frequently used interchangeably. But they are two rather distinct things. Talent acquisition as "a strategic approach to identifying, attracting and onboarding top talent to efficiently and effectively meet dynamic business needs." "Recruiting is a subset of TA, and includes the activities of sourcing, screening, interviewing, assessing, selecting and hiring". (Erickson 2012)<sup>2</sup>. "Thus, Recruitment can be seen as a subset of Talent Acquisition as the later contributes effectively towards Organizational performance when compare to the former. The definition of talent acquisition doesn't restrict only to the above-mentioned functions but also extents to employer branding, recruitment marketing, relationship management, succession planning, strategic alignment with Organizational Objectives". (Venkatesh, J., *et al*, 2014)<sup>3</sup> "Talent Acquisition as a strategic approach that pile up identifying,

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<sup>1</sup> Fegley, S. (2006). *2006 talent management survey report*. Alexandria, VA: Society for Human Resource Management.

<sup>2</sup> R Erickson, (2012), *The evolution of talent acquisition*, Newsletter, Bersin by deloitte research,

<sup>3</sup> Venkatesh, J., *et al*. (2014), *Diversity and generalization differences in employees team building activity*. *International Journal of Management, IT and Engineering* 4.10,133-141.

attracting, and onboarding top talents to intensively and adequately quench the thirst of business needs. Talent Acquisition is an ongoing strategy that aids in identifying leaders, specialists (or) future executives of an organization. Talent Acquisition aspires to long-term human resource planning to find suitable employees for positions that require a unique skill set". (Jeremy Cepin 2013)<sup>4</sup>

"The top companies of today are constantly looking around them for the long-term and short-term shifts they expect in their markets and sectors. Strategies for talent development make use of this data. Talent development necessitates planned actions that focus on building talents and skills for both present job performance and future business needs" (Heinen & O'Neill, 2004). "Since these employees are a valuable source for future senior roles, strategic TM relies heavily on developing high potential and high performing employees to fill pivotal talent positions once the talented employees have been identified" (Hartmann et al., 2010; Collings & Mellahi, 2009). "TD activities are typically undertaken by organizations to ensure that there are zero talent outages, to ensure planned succession rather than replacement, and to enhance the organization's reputation as a talent magnet". (Garavan et al., 2012, pp. 5-6). "In order to make sure that the company has the talent it needs to accomplish its strategic goals now and in the future, as well as that development activities are in line with organizational TM procedures, it focuses on the planning, selection, and execution of development strategies for the whole talent pool.". (Garavan et al., 2012).

"Talent (employee) engagement is the state of emotional and intellectual commitment to an organization or group". (Bhatnagar, 2007). "It is a quantifiable level of high potential individuals' emotional attachment to their work, coworkers, and organization, both positive and negative, and it has a significant impact on their willingness to learn and perform at work. An employee who is completely committed, passionate about his work, and acts in a way that advances the goals of the company is said to be engaged. Further, employee engagement as "the harnessing of organization members" selves to their work roles; in engagement, people employ and express themselves physically, cognitively, and emotionally during role performances" (Kahn, 1990, pp. 694). According to Gibbons (2006) "employee engagement is a heightened emotional and intellectual connection that an employee has for his/her job, organization, manager, or co-workers that in turn influence him/her to apply additional discretionary effort to his/her work". (Saks, 2006) "revealed that employee engagement has two major components i.e. job engagement and organizational engagement".

Performance Appraisal: Its strengths and weaknesses may be suitable for one organization and non-suitable for another one. As such, there is no single appraisal method accepted used by all organization to measure their employee's performance. Measuring the actual performance of an employee is necessary to

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<sup>4</sup> Jeremy Cepin. (2013). *Talent Acquisition: What is it, why you need it, what is involved and where to start*. CPA Practice Management Forum, 9(12), 13-15.

identify his or her true potential. It is to check whether the person can be loaded with extra responsibilities or not.

Succession Planning “as a career management technique creates the perception of career success and satisfaction of promotion process among the employees” (Farashah et al., 2011; Krishnakumar, 2011). “In simple words, it is the process of certifying that high potential/qualified personnel are available to assume key managerial positions once the positions are vacant” (Jyoti & Rani, 2014). SP as a “deliberate and systematic effort” to “retain and develop” ‘individuals and few could give examples of how they systematically identified talent pools or processes to identify potential succession candidates’ (Rothwell, 2005, pp. 10). “In other words, it consists of organizing and maintaining talent pipeline for future considerations such as retirement, death, serious illness or promotion, and any new position, which may be created in future organizational plans” (Hartmann et al., 2010; Bhatnagar, 2007; Krishnakumar, 2011).

### **Statement of the Problem**

“Talented employees can make the difference between an average, good or great organization. Research reveals us that great talents outperform average ones in many ways, including higher productivity, lower employee turnover, better client services and greater employee morale and motivation. Given the potential talent drain in the fourth coming years in the banking sector as baby boomers retire, the challenge is that talent will become increasingly hard to find”. (Srividya Prathiba.C.S, Lalitha,B, 2014). Because it deals with personnel, the human resource management department's duties are quite challenging. The staff members are highly skilled and educated, especially in the banking industry. In private banks, the department plays a significant role in personnel management practices, which include succession planning, performance evaluation, talent engagement, talent development, and talent acquisition. The purpose of this study is to examine how talent management strategies affect the Banking performance of private sector banks in Tamil Nadu Virudhunagar area.

### **Objective of the Study**

The following are the objectives of the study.

- To analyze the profile of the employees in private sector banks.
- To Measure the Talent Management Practices, influence the Bank performance
- To offer suitable suggestions and conclusion

### **Methodology**

This investigate is both descriptive and analytical in nature. The research is principally constructed on primary data which are together with the help of a well-structured questionnaire. The information is gathered from employees in private sector commercial banks. Secondary data was met from standard text

books, Journal, Magazines, websites, and dissertation etc. The study covers private sector banking. The researcher selected 60 respondents of private sector banks of Virudhunagar district in Tamil Nadu and investigator used convenient sampling techniques.

Employees opinions must be collected to assess talent management practices influence banking performance in the private sector banking. To collect these data, the researcher survey model based on a structural questionnaire. Data on private sector banking employees is collected using simple random sampling technique. The Banking performance as the dependent variable was influenced by the different dimensions of talent management practices represented by talent acquisition, talent development, talent engagement, performance appraisal, and succession planning. The researcher used both (1) correlation analysis and (2) Multiple regression analysis to find the banking performance as the dependent variable influenced by the different dimensions of talent management practices (talent acquisition, talent development, talent engagement, performance appraisal, and succession planning).

### Period of the study

This study period January to April 2025.

### Hypothesis:

- Talent Management Practices have Positive influence on the Banking Performance

### Result and Discussion

Banking performance with private sector banking is measured Talent management practices is serve as independent variables, while banking performance serves as the sole dependent variable.

### Employee Profile

**Table 1: Employee Profile Results**

Particulars	Variables	No. Of. Respondents	Percent
<b>Age</b>	21 – 30	25	41.7
	31 – 40	22	36.7
	41 – 50	13	21.7
	Above 50	-	-
	<b>Total</b>	<b>60</b>	<b>100.0</b>
<b>Gender</b>	Male	37	61.7
	Female	23	38.3
	<b>Total</b>	<b>60</b>	<b>100.0</b>
<b>Education Status</b>	UG Degree	38	63.3
	PG Degree	21	35.0
	Professional Course	1	1.7
	<b>Total</b>	<b>60</b>	<b>100.0</b>

<b>Designation</b>	Manager	6	10.0
	Cashier	10	16.7
	Loan Officer	8	13.3
	Bank Teller	8	13.3
	Assistant Manager	19	31.7
	Senior Manager	2	3.3
	Clerk	7	11.7
	<b>Total</b>	<b>60</b>	<b>100.0</b>
<b>Working Experience</b>	Below 5 years	24	40.0
	5-10 years	15	25.0
	11 - 15 years	8	13.3
	16 - 20 years	5	8.3
	21 years above	8	13.3
	<b>Total</b>	<b>60</b>	<b>100.0</b>
<b>Monthly Income</b>	Below 25000	15	25.0
	26000 - 30000	9	15.0
	30001 - 35000	8	13.3
	36000 - 40000	3	5.0
	40001 - 45000	3	5.0
	Above 46000	22	36.7
	<b>Total</b>	<b>60</b>	<b>100.0</b>

**Sources: Computed Data**

Table 1 revealed that 25 (41.7%) greatest of the employees are in the age group of 21-30 years; 37 (61.7%) majority of the employees are male; 38(63.3%) popular of the employees have educated in UG degree; 19 (31.7%) most of the employees are designation in Assistant Manager; 24 (60%) majority of the employees are below 5 years working experience; 22 (36.7%) most of the employees are earning income is Above 4600.

**Table 2: Descriptive Statistics of Talent Management Practices and Banking Performance**

<b>Variables</b>	<b>Mean</b>	<b>Std. Deviation</b>	<b>N</b>
BP	75.1667	6.07347	60
TA	60.4667	4.58245	60
TD	46.2333	3.75236	60
TE	50.1833	4.67410	60
PA	37.4667	3.04468	60
SP	27.9500	2.52731	60

**Source: SPSS Output**

As exposed in Table 2 In the descriptive statistics of the first dependent variable, Banking Performance with a mean of 75.1667 and a standard deviation (SD) of 6.07 this item indicates that banking performance

positively influence. (Othman & Owen, 2001). The independent variable Talent Acquisition for Mean = 60.4667 and a standard deviation 4.58; Talent Development of Mean=46.2333 and a standard deviation of 3.75; Talent Engagement of Mean=50.1833 and a standard deviation of 4.67; Performance appraisal of Mean = 37.4667 and a Standard deviation of 3.04; Succession Planning of Mean = 27.95 and a standard deviation = 2.52. Is the positively influence the banking performance.

### Correlation and Regression of the Talent Management Practices

**Table 3: Pearson's Correlation of Coefficient, Talent Management Practices and Banking Performance**

		TA	TD	TE	PA	SP	BP
TA	Pearson Correlation	1	.492**	.460**	.556**	.397**	.430**
	Sig. (2-tailed)		.000	.000	.000	.002	.001
	N	60	60	60	60	60	60
TD	Pearson Correlation	.492**	1	.587**	.636**	.421**	.691**
	Sig. (2-tailed)	.000		.000	.000	.001	.000
	N	60	60	60	60	60	60
TE	Pearson Correlation	.460**	.587**	1	.641**	.611**	.574**
	Sig. (2-tailed)	.000	.000		.000	.000	.000
	N	60	60	60	60	60	60
PA	Pearson Correlation	.556**	.636**	.641**	1	.547**	.616**
	Sig. (2-tailed)	.000	.000	.000		.000	.000
	N	60	60	60	60	60	60
SP	Pearson Correlation	.397**	.421**	.611**	.547**	1	.581**
	Sig. (2-tailed)	.002	.001	.000	.000		.000
	N	60	60	60	60	60	60
BP	Pearson Correlation	.430**	.691**	.574**	.616**	.581**	1
	Sig. (2-tailed)	.001	.000	.000	.000	.000	
	N	60	60	60	60	60	60

\*\*, Correlation is significant at the 0.01 level (2-tailed).

**Sources: SPSS Output**

The relationship between the dimensions as factors influencing banking performance are display in table 3. Banking performance and Talent Management Practices have a positive and significant relationship. The Pearson correlation indicating correlation is significant at the 0.01 level, that the banking performance strongly influenced by talent management practices. As a consequence of the findings in table 3, it can be determined that the Talent Management Practices chosen for study have positively significant connections with the dependent variable, banking performance.

**Table 4: Model Summary<sup>b</sup> of Talent Management Practices and Banking Performance**

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Change Statistics				
					R Square Change	F Change	df1	df2	Sig. F Change
1	.770 <sup>a</sup>	.593	.555	4.05163	.593	15.715	5	54	.000

**a. Predictors: (Constant), SP, TA, TD, TE, PA**

**b. Dependent Variable: BP**

This table delivers the R and R<sup>2</sup> values. The R value represent the simple correlation and is 0.770, which indicate high degree of correlation. The R<sup>2</sup> value indicates the how much of the total variation in the dependent variable, Banking Performance, can be explained by the independent variable, Talent management practices. In this case, 59.3% can be explained, which is large.

**Table 5: ANOVA**

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	1289.884	5	257.977	15.715	.000 <sup>b</sup>
	Residual	886.450	54	16.416		
	Total	2176.333	59			

**a. Dependent Variable: BP**

**b. Predictors: (Constant), SP, TA, TD, TE, PA**

According to the results of the multiple linear regression analysis table 5, the talent management practices influence the Banking performance. The F value obtained is 15.715, with a p-value of 0.000, including that the predictor variables have an impact on the dependent variable.



### Conclusion and Recommendation

According to “Employee training, education, knowledge, and skills are examples of human capital that affect a bank's performance and can offer insights to enhance the banking industry”. (Bilkis Akhter & Mominur Rahman, Md., 2021). Which content affects the performance level of private banks in this study? The banking performance is inclined by the aspects of talent management techniques. The discoveries of the regression analysis direct that, with a significant value of  $p=0.000$ , talent management approaches have an impact on banking performance. Thus, one aspect of private banks is talent management. The talent management procedures have raised the banking industry's performance level. The verdicts show that talent management strategies have an impact on banking performance. According to this study, employees' performance should rise steadily as a result of their active job and the daily talent management procedures that the bank implements.

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