

Talent Management Strategies and Employees' Commitment in Indian Banking Context: Investigating the Inter Relationship

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Abstract

Talent management pertains to the activities conducted by a firm to attract, develop, and retain key talent in the organization, ultimately aiming to achieve a competitive advantage. The retention of talent is a comprehensive phenomenon associated with preserving the best talent across all organizational levels. This paper seeks to define the meaning and scope of the term "talent management," recognizing its lack of a clear and precise definition. The study aims to examine the relationship between the implementation of various talent management practices and their impact on employee retention and commitment levels. Building on insights from prior research, the conclusion drawn is that talent management exerts a positive force on the retention of talent and commitment levels.

Keywords: Talent, Management, Retention, Engagement, Organization, Commitment.

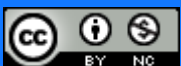
INTRODUCTION

The increasing intricacy and unpredictability within the marketplace have significantly elevated the importance of talent management. Regarded as a strategic decision and process, it demands meticulous planning and execution within the industry. Human resources, as the primary source of competitive advantage, are recognized as the ultimate differentiator in the market, with the proper management of the unique competencies acquired by employees enhancing overall firm performance.

The concept of talent management is inherently context-specific, exhibiting diverse impacts based on the particular environment in which it is applied. Consequently, distinct sets of policies may be necessary for managing the workforce in both developed and developing economies. A prevalent challenge faced by organizations in turbulent environments revolves around retaining employees over an extended period. Addressing this concern requires the implementation of effective talent management strategies. Hence, it becomes imperative for managers to strategically acquire, hire, and retain personnel possessing the requisite skills.

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The term "right" personnel encompasses various values, with organizations seeking individuals exhibiting unique skills and multitasking abilities. However, the actual challenge lies in differentiating individuals with talent from the rest of the workforce. Talent acquisition emerges as a challenging yet pivotal decision in this context. Successful planning and deployment of a talent management system hinge on the effectiveness of the organizational structure. A well-structured organization becomes integral to the seamless implementation of talent management processes, ultimately contributing to employee engagement and retention.

The current study focused on investigating the impact of various talent management practices such as talent attraction, talent development, talent retention and succession planning on the level of commitment of employees working in Indian public sector banks. The study has the following objectives:

1. To assess how talent attraction strategies affect the level of organizational commitment among employees
2. To assess how talent development strategies affect the level of organizational commitment among employees.
3. To assess how talent retention strategies affect the level of organizational commitment among employees.
4. To assess how succession planning strategies affect the level of organizational commitment among employees.

LITERATURE REVIEW

Barney & Wright (1998) investigated the role of employees in gaining a competitive advantage through the value, rarity, imitability, and organization framework. Their exploration delved into human resource aspects contributing to a competitive edge, underscoring the importance of HR executives in enhancing organizational performance by cultivating efficient, skilled, and motivated employees.

In a separate study, Chugh & Bhatnagar (2006) utilized a multiple case study research design to identify talent management practices in high-performing organizations. Their objective was to establish a theoretical framework for talent management systems, comparing practices across private and public sector enterprises. The study concluded that all selected organizations had implemented talent management practices.

Kar & Mishra (2016) undertook a literature-based study to discern constructs and drivers of employee engagement. Their exploration encompassed various definitions and constructs related to employee engagement, including organizational commitment, job involvement, and job satisfaction. Key drivers such as conviction and integrity, challenging job roles, effective leadership, career progression opportunities, and a supportive working culture were identified.

A study by Latukha & Selivanovskikh (2016) investigated talent management practices in information technology firms in India, China, and Russia. Focusing on factors affecting talent management, the

researchers used a case study method involving 60 firms. The research aimed to find commonalities and differences in talent management practices among the three countries.

Lewis & Hackman (2006) elucidated the concept of talent management through an extensive literature survey. They addressed issues with definitions and supporting data, proposing a hierarchical model for a strategic talent management process. The authors separated questions related to TM and SHRM to offer a fresh perspective on the concept.

McDonnell et al. (2017) conducted a comprehensive literature analysis to define talent management and suggest a research agenda. They highlighted the absence of a single defined meaning but emphasized the need to delineate its scope and boundaries. The study concluded that talent management has progressed beyond infancy and is in its adolescence, moving towards maturity.

Neri & Welkins (2018) investigated talent management practices for administration staff in international campuses. Using a case study method and various data collection techniques, they concluded that funds invested in the development of administration staff should be considered an investment for attracting, developing, and retaining talent.

Pandita & Ray (2018) explored the relationship between employee engagement and talent management practices through secondary data sources. They developed a framework showing a cyclical and nonlinear relationship between employee engagement, talent management practices, and talent retention. Effective attraction strategies and management practices were deemed essential for creating a positive workplace.

Rudhumbu & Maphosa (2015) examined talent management practices in private higher educational institutions using a quantitative research design. The results indicated incomplete adoption of talent management practices due to a lack of knowledge and managerial challenges in planning and implementation.

Sinha & Sinha (2012) identified factors affecting retention strategies through a survey of middle-level management employees in two heavy engineering manufacturing organizations in India. The identified factors included skill recognition, learning and working climate, flexibility, cost-effectiveness, training, career development, compensation, superior-subordinate relationships, organizational commitment, communication, employee motivation, and benefits.

Sturman et al. (2003) based their study on a step-by-step process for analyzing the impact of pay and incentives on employee separation patterns. The research emphasized the financial impact of incentive pay as a crucial element for retaining efficient talent and contributing to organizational success.

METHOD

The paper introduces the concept of talent management and examines the effect of these practices on employee commitment and retention. The study relies on primary data sources and secondary sources such as, research papers, articles, working papers, and reports gathered from various online and offline outlets concerning talent, talent management, employees' commitment. Descriptive in its approach, the study aims to elucidate the meaning and nature of talent management through a literature review, seeking new insights into the topic. This involves analyzing and summarizing the arguments and ideas presented by researchers who have contributed to the existing knowledge on talent management, employees' commitment, and the relationships among these concepts. The study used survey method with the help of framing questionnaire and collected data from 320 respondents working in Indian public sector banks of Delhi-NCR region.

THEORETICAL BACKGROUND OF THE STUDY

The term "talent management" was introduced by McKinsey & Company in their 1997 article titled 'War for Talent.' This concept primarily addresses the necessity for companies to adeptly manage their human resources or talent to gain a competitive edge by retaining key employees. Despite its importance, the scope of talent management remains broad and unspecified, attributed to the absence of a comprehensive definition provided by many scholars and researchers. Consequently, a clear comprehension of the term 'talent' is crucial for a thorough understanding of talent management.

The interpretation of talent varies among authors, contingent upon the context in which the term is employed. Derived from the Greek word 'talanton,' denoting the highest monetary unit for the Greeks, in today's human resources landscape, the term 'talent' signifies something of high value, particularly pertinent for highly competitive organizations. The psychological definition of talent pertains to above-average abilities enabling an individual to navigate and handle complex situations. Talent encompasses individuals with outstanding abilities, achievements, specialization, and expertise in their respective fields. Hence, talent assumes diverse meanings for different leaders, employees, or organizations. It signifies possessing the right skills to perform the appropriate job efficiently within the required time frame and an ongoing willingness to contribute to business performance.

Talent Management

The ambiguity in the meaning and conceptualization of the term 'talent' impedes the development of theories and practices related to talent management. Nevertheless, various researchers and academics have attempted to define the concept of talent management and the associated practices. Talent management is an integral component of strategic human resource management, serving as an effective tool for managing the people component within organizations. The

responsibility of talent management extends beyond the human resource department, requiring every manager in each department to actively participate. It offers avenues for attracting the best talent to the workplace, recognizing and maximizing their potential, and aligning individual goals with organizational objectives.

Talent Management Practices

The examination of talent management encompasses diverse practices implemented by organizations to cultivate their pool of talent. Various talent management practices were identified through an extensive literature review on talent management, and they are outlined below:

1. **Attraction of Talent:** The talent management process involves the recruitment of skilled and high-performing individuals. Organizations face specific talent gaps that necessitate attracting employees to fill these vacancies. This doesn't solely mean drawing in external high-potential candidates but also considering internal talent for existing and upcoming roles. Organizations should discern the talents they seek and then devise and plan the talent attraction process.
2. **Identification of Talent:** This constitutes a crucial phase in the talent management process, contributing substantial value to organizational success and the attainment of sustainable competitive advantages. It's an ongoing process for organizations to evaluate their future needs and pinpoint talented employees for the required positions.
3. **Succession Planning:** This continuous and imperative process involves transitioning key managerial roles to the next high-potential employees as positions become vacant. It encompasses retaining and developing individuals while identifying potential successors.
4. **Development of Talent:** Business organizations analyze their environment to identify short-term and long-term market changes, forming the basis for talent development strategies.
5. **Retention of Talent:** Talent retention is a systemic approach to retaining the best talent at all organizational levels.

Organizational Commitment

Commitment within the realm of the employee-organization dynamic is characterized by the depth of connection felt by an employee towards their workplace. It involves the cultivation of loyalty and a profound sense of belonging among organizational members. The significance of commitment lies in its role in bolstering organizational success, as motivated employees, driven by a sense of allegiance, are more likely to contribute positively.

Various factors contribute to the level of commitment exhibited by employees:

1. **Job Contentment:** The satisfaction derived from one's role significantly influences commitment. Factors such as the nature of the job, interpersonal relationships, and the equilibrium between work and personal life contribute to job satisfaction.
2. **Job Stability:** A feeling of job security fosters commitment. Employees are more likely to dedicate themselves when they perceive stability in their employment, free from the constant apprehension of job loss.
3. **Leadership and Management Styles:** The manner in which leaders lead and managers operate has a pivotal role in shaping employee commitment. Supportive and proficient leadership enhances the bond between employees and the organization.
4. **Employee Perks:** Competitive benefits, encompassing health plans, retirement provisions, and additional privileges, can augment employee commitment.
5. **Workplace Atmosphere:** A positive and inclusive work environment is conducive to commitment. When employees feel valued, respected, and integral to the organizational culture, their commitment flourishes.
6. **Career Advancement Opportunities:** Organizations offering avenues for skill development and career progression tend to have more committed employees.
7. **Balancing Work and Life:** Organizations that prioritize and support a healthy work-life balance contribute to heightened levels of commitment.
8. **Recognition and Incentives:** Acknowledging and rewarding employee contributions instill a sense of appreciation, thereby nurturing commitment.
9. **Effective Communication:** Transparent and well-executed communication from management builds trust and reinforces commitment among employees.
10. **Organizational Identity:** The overarching culture of an organization, encompassing its values and mission, significantly shapes employee commitment.

Understanding and addressing these elements can aid organizations in cultivating a positive and committed workforce, laying the groundwork for sustained success.

Analyzing the Relationship between TA, TD, TR, SP and OC

H₁: A notable correlation exists between talent acquisition (TA) and organizational commitment (OC) of employees.

H₂: A notable correlation exists between talent development (TD) and organizational commitment of employees.

H₃: A notable correlation exists between talent retention (TR) and organizational commitment of employees.

H₄: A notable correlation exists between succession planning (SP) and organizational commitment of employees.

Null Hypothesis

H₀: There exists no correlation between talent management practices (talent acquisition, talent development, talent retention, and succession planning) and organizational commitment of employees.

Alternate Hypothesis

H₁: There exists a notable correlation between talent management practices (talent acquisition, talent development, talent retention, and succession planning) and organizational commitment of employees.

Reliability analysis

Table 1. Reliability Analysis

Reliability Statistics	
Cronbach's Alpha	N of Items
.798	26

Source: Researcher's analysis

The reliability table provides the information about the internal consistency of the items in a scale used for measuring the construct. A reliability of .798 signifies a good level of agreement among all the items of the scale used in the study. The total number of items used in the scale was 26.

Table 2. Model Summary for Hypothesis Testing

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	0.640	0.460	0.440	2.450

The table presenting the model's summary contains vital insights into the overall performance of the regression model. The R² value, standing at 0.460, signifies that approximately 46% of the variability in employees' organizational commitment can be collectively explained by the four independent variables: acquisition, development, retention, and succession planning. The adjusted R-squared value, closely mirroring the R-squared value at 0.440, suggests that the model's explanatory capability remains consistent even when considering the number of predictors. The standard error of the estimate, set at 2.450, provides an approximation of the average difference between actual and predicted values of organizational commitment.

Table 3. Coefficients of the Regression Model

Model	Unstandardized Coefficients				Sig.
	B	Std. Error	Beta	t	
(Constant)	10.000	1.000		10.000	.000
TA	0.140	0.052	0.400	3.000	.004
TD	0.150	0.074	0.460	3.471	.002
TR	0.220	0.054	0.250	3.343	.021
SP	0.200	0.060	0.350	2.400	.014

This table illustrates the coefficients derived from the regression model, offering insights into the specific impacts of individual independent variables on organizational commitment while considering the influence of other factors.

1. The constant term (10.000) represents the anticipated value of organizational commitment when all independent variables are set to zero.

2. Regarding talent acquisition, the coefficient is 0.140. This signifies that, on average, a one-unit increase in talent acquisition is correlated with a 0.140-unit increase in organizational commitment.
3. The coefficient for talent development is 0.150, indicating that a one-unit increase in talent development is associated with a 0.150-unit increase in organizational commitment.
4. Talent retention displays a coefficient of 0.220, suggesting that a one-unit increase in talent retention corresponds to a 0.220-unit increase in organizational commitment.
5. Lastly, for succession planning, the coefficient is 0.200, implying that a one-unit increase in succession planning is linked to a 0.200-unit increase in organizational commitment.

All these coefficients are accompanied by small p-values ($p < 0.05$), signifying that the relationships between each of these variables and organizational commitment hold statistical significance.

RESULTS AND DISCUSSION

The presented tables outlines the coefficients from the regression model, shedding light on the specific impacts of individual independent variables on organizational commitment while accounting for the influence of other variables.

All these coefficients are supported by small p-values ($p < 0.05$), affirming that the relationships between each of these variables and organizational commitment are statistically significant.

In summary, your findings indicate that all the independent variables, namely talent acquisition, talent development, talent retention, and succession planning, have positive and statistically significant relationships with organizational commitment of employees. The R-squared value of 0.260 suggests that these variables collectively account for a significant portion of the variance in organizational commitment, enhancing our understanding of how talent management practices influence employee commitment. Findings: The model summary shows that the model explains a portion of the variance in organizational commitment ($R^2 = 0.440$), and the adjusted R^2 accounts for 44% of the variance in organizational commitment. The standard error of the estimate is 2.450.

All the p-values associated with these predictor variables are below 0.05, providing enough evidence to reject the null hypothesis. Therefore, we can embrace the alternative hypothesis (H_1) for each of these talent management practices. This implies that there exists a positive and statistically significant relationship between talent acquisition, talent development, talent retention, succession planning, and the organizational commitment of employees.

CONCLUSION

The conducted analysis in this study aimed to investigate the connection between talent management practices and the

organizational commitment of employees. Four specific talent management practices were scrutinized: talent acquisition, talent development, talent retention, and succession planning. The results offer valuable insights into how these practices contribute to the organizational commitment of employees, providing illumination on their importance in the organizational context.

Following a comprehensive analysis, several noteworthy findings surfaced:

1. **Talent Acquisition and Organizational Commitment:** The study uncovered a notable and positive correlation between talent acquisition and organizational commitment, although this connection lacked statistical significance. While the association seems positive, it's essential to acknowledge that the absence of statistical significance suggests that additional data or alternative analytical approaches may be necessary to establish a definitive relationship between these two variables.
2. **Talent Development and Organizational Commitment:** A positive revelation emerged from the analysis, revealing a significant and positive relationship between talent development and organizational commitment. This implies that organizations investing in enhancing employees' skills, competencies, and growth opportunities are likely to witness higher levels of organizational commitment among their workforce.
3. **Talent Retention and Organizational Commitment:** The study unveiled a notable and statistically significant positive relationship between talent retention practices and organizational commitment. This indicates that strategies focused on retaining valuable employees can cultivate a sense of commitment and attachment to the organization, potentially resulting in increased morale and productivity.
4. **Succession Planning and Organizational Commitment:** While a positive correlation between succession planning and organizational commitment was observed, the relationship did not attain statistical significance. Further exploration or a larger dataset might be necessary to determine the potential impact of succession planning on organizational commitment.

In summary, this study underscores the intricate interplay between talent management practices and organizational commitment among employees. The positive relationships found in talent development and talent retention practices emphasize their potential as effective tools for enhancing employee commitment. These findings underscore the significance of organizational strategic decisions in talent management and how they can influence the emotional attachment and dedication of employees to the organization.

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