A STUDY OF TALENT MANAGEMENT PRACTICES FOR LEADERSHIP DEVELOPMENT IN BANK AND SERVICE SECTOR

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Abstract
The ability, skill, and power of employees inside a company are managed through talent management. The idea goes beyond simply finding the perfect applicant for the job at the right moment; it also includes discovering the peculiar and hidden talents of current employees and helping to develop and nurture them in order to achieve the intended outcomes. There is a great deal of variation in the definition of talent; it can refer to a group of traits or be specific individuals. Regarding whether to define talent as an employee's performance and potential or as something that is primarily focused on those in senior roles, banks also hold various opinions. "Employees who have a disproportionate impact on the bottom line, or who have the potential to do so," is how **McCartney and Garrow (2006)** describe talent.

The goal of the current study is to investigate the methods that aid in spotting, nurturing, and keeping talent. To quantify each of these elements, a measuring model was created. The model's predictive validity was examined, and its fit indices are good. The report suggests analyzing talent gaps and coordinating hiring initiatives to close these gaps as much as possible. The report recommends using job boards, professional associations' websites, and professional networking sites to find candidates for specialized positions. The evaluation of a candidate's potential ought to take center stage in the selection process. The report suggests giving bankers additional possibilities for professional growth. Given that intrinsic rewards have been shown to be a significant source of talent, banks' retention strategies shouldn't undervalue their importance.

Introduction
In today's dynamic and competitive business landscape, organizations recognize that their most valuable asset is their people. Talent management has emerged as a strategic imperative for businesses seeking to attract, develop, and retain top talent to drive sustainable growth and competitive advantage.

Talent management encompasses a holistic approach to managing the entire employee lifecycle, from recruitment and on boarding to performance management, development, and succession planning. It recognizes that investing in people's skills, capabilities, and career growth is essential for organizational success.

At its core, talent management is about aligning the right people with the right roles and providing them with the support and opportunities they need to thrive. This involves identifying key talent pools, understanding their career aspirations and development needs, and implementing strategies to nurture their potential.

Effective talent management goes beyond traditional HR functions to become a strategic business priority. It involves collaboration across departments, leadership buy-in, and a deep understanding of the organization's goals and values. By investing in talent management, organizations can build a high-performing workforce that drives innovation, fosters a culture of excellence, and achieves long-term success.

In today's knowledge-based economy, where skills and expertise are at a premium, talent

management is no longer optional—it's a critical imperative for organizations looking to thrive in the 21st century.

Current trends in talent management Talent War

Finding and retaining the best talent is the most difficult aspect of HR management. In HR survey consultancies' view organization facing lack of talent-pool and their retention.

Technology and Talent Management

Technology is increasingly becoming a centre point for people development. Online employee portals are the new talent market where they offer easy access to employees to various benefits and schemes for any organization.

Promoting Talent Internally

An employee is recruited only when he or she is skilled and qualified enough to fit into the requirements of the organizations.

Population Worries Globally

World populations are either young or aging. For example, statistics have it that by 2050, 60% of Europe's working population will be over 60! On the other hand a country like India can boast of a young population in the coming and present times.

Talent Management to rescue HR

HR has been compelled to focus on qualitative and quantitative aspects like the head count etc. as well

Table 1.1 Six Dimensions of Talent Management

Talent management Dimensions	Description
Develop strategy	Establishing the optimum long term strategy for attracting, developing, connecting and deploying the workforce
Attract and retain	Sourcing, recruiting and holding onto the appropriate skills and capitalizing, according to business needs
Motivate and develop	Verifying that people's capabilities are understood and developed to match business requirements, while also meeting people's needs for motivation, development and job satisfaction

Deploy and manage	Providing effective resource deployment, scheduling and work management that match skills and experience with organizational needs
Connect and enable	Identifying individuals with relevant skills, collaborating and sharing knowledge and working effectively in virtual settings
Transform and sustain	Achieving clear measurable and sustainable change within the organization, while maintaining day to day continuity of operations

Review of Literature

According to **Berger & Berger10 (2004)** Talent management is about attracting, identifying, enlisting, developing, inspiring, promoting and retaining people that have strong possibility to succeed within an organization. **Hartley, (2004)** more extent the read that, Talent Management is that the term that extends over a good set of activities, like succession designing, unit of time designing, worker performance management etc... Knez etal (2004) categorizes an identical read of the conception once difference that it refers to an eternal method of external accomplishment and choice and internal development and acquisition. **Bourdreu and Romstad (2005)** bring in a term called "Talent ship" and states that talent ship is to HR what finance is to accounting or marketing to sales. According to them it's a term referring a logical, definitive and compatible set up upraising decisions about key resources. **Muncha R (2004)** studies that most of the organizations values their employees as their ultimate asset. When an organization understands and fulfills the needs of workforces, only then an employee can be motivated to work whole heartedly towards the goal.Adding to this **Lockwood (2006)** states that talent management is the implementation of integrated strategies to raise workforce yield, attracting, developing, appraising and utilizing human resource skillfully to meet long-term business needs.**Kirkland (2007)** talks about enormous challenges profit and non-profit organizations are facing and most crucial concern is finding and recruiting a skilled professional. Data given by Manpower survey from worldwide companies indicates towards the companies facing trouble in filling the positions**Tansley (2006)** mentioned Talent as ''individuals who can make a difference to organizational performance, either through their immediate contribution or in the longer term by demonstrating the highest levels of potential''. **Michaels et al. (2001)** 26 defined talent in a general sense as the sum of a person's ability, to include their skills, knowledge and potential for development. They argued that a certain part of talent eludes description "you simply know it when you see it". CIPD defined talent as 'those individuals who can make a difference to organizational performance. This is a common 'exclusive' definition of 'TM', reserving the term for high value staff, high performers and/or high-potentials, in contrast to 'inclusive' perspectives, where 'talent' is often merely a synonym for 'staff'. McKinsey & Company first coined the term talent in their report, The War for Talent (1997; Michaels, Hand field-**Jones, and Axelrod 2001**), revealing the 'war for talent' as a strategic business challenge and a critical driver of corporate performance. **Goffee and Jones (2007)**

RESEARCH METHODOLOGY
Objectives

1) To find talent management factors used for acquisition and retention of talent in the banks & Insurance Sector.
2) To find employee engagement, performance management and Leadership Development practices applied in Banks and Insurance Companies.

Hypothesis

H01= There is no significant difference in talent management practices in service Sector with respect to banking and insurance.

H02= There is no significant difference in talent management practices at Leadership Development.

H03= There is no significant difference in talent management practices of Service Sector for employees with different experience level.

Sampling Description

Madhya Pradesh is an emanating State in terms of Banking & Insurance Employee. In a, tenure of 10 years the state witnessed outstanding growth in terms of growing market for various opportunities across nation. Indore proves to be a populous Business hub in Central India.

Sample Area

Sample has been compiled from Banks & Insurance Companies of Indore

Sample Size

The questionnaire was sent to a around 100 employees.

Types of Sampling

Stratified Convenient sampling method is used to collect data.

Questionnaires' Scales

- A questionnaire should be clear, concise, structured and survey people (Population or sample) on a set of questions to gain information.
- The research instrument used to assemble the feedback from the respondent questionnaire from a large sample of employees and HR managers from different organizations of Madhya Pradesh. Based on extensive research the questionnaire and face to face interview included the items that addressed the perception.
- **Questionnaires area unit of 2 types;** open over and closed over queries. Open Ended questions area unit unstructured ones, providing free scope to the respondents to reply with their own alternative of words and ideas. Open queries area unit helpful to start out a depth interview.
- The goal of this analysis is to grasp as absolutely as doable the talent management. The in- depth open complete form enhances the closed complete survey question by allowing the much more meaningful queries.

Tools for Data Analysis

- Collected data has been analyzed by researcher himself with the help of different statistical calculations using SPSS software. Statistical package for social science (SPSS) version 20.0 for windows seven will be used for data analysis and hypotheses testing.
- Collected data also will be analyzed with the help of various types of pie-chart, graphs and bar charts etc. by using Microsoft Excel 2010, for windows 7.0
- The responses from Bankers and Insurance Officers were recorded and tabulated in a master sheet. Various statistical tools like Cronbach's Alpha test and Factor Analysis.

Need of the study

The dynamic atmosphere of latest times, poses the challenge of economic evolution, demographic changes & technological advancements. These factors have dramatically influence/effect each side of the society and there is a paradigm shift within the method the individuals work, the businesses area unit organized and therefore the talent is managed. During this period of globalization the economy is shifting towards information economy wherever talent is taken into account as a strategic plus for achieving organization goal and build a leader through leadership development

practices.

Result and Discussion
Factor Analysis
Factor analysis was applied on the responses collected. Considering the seven factors of talent management practices viz. employee engagement, talent acquisition, succession planning, organization culture, employee retention, performance management and talent development appropriate names were given according to the variables that have been loaded on each factor.

KMO and Bartlett's Test

Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		.921
Bartlett's Test of Sphericity	Approx. Chi-Square	5143.457
	df	946
	Sig.	.000

To measure the relationship among variables of population Bartlett's test has been applied. The test generates a maximum value of 0.05. In this case the test has generated a value of 0.000 which is less than 0.05 and seems satisfactory to proceed for further study.

As depicted form the above table there is 4 variables which have more than 1 eigenvalue. These components together can explain 62.8% of the variance.

On application of factor analysis on the dataset we found the Eigen values as represented in following table.

Factor 1: Organization Culture

Item NO.	Description	Item Load	Factor Load	% of Variance
34	Organization regularly keeps a check on workforce attitudes and engagement levels	.747	5.099	11.441
18	Employees needs are acknowledged in an effective and timely manner	.697		
35	High Performers are recognized and paid accordingly	.679		
3	Performance rating, salaries and appreciation are in ration of individual performance	.662		
30	High potentials are recognized and developed by providing special facilities	.654		
4	Internal promotion depends on critical issues	.624		

23	Participations of all employees are made in the organizational activities	.538		
19	Organization perceives trends, practices and promotion pertinent changes, envision and address risk	.498		

The first factor named as organization culture comprises of 8 items. The items are : Organization regularly keeps a check on workforce attitudes and engagement levels, Employees needs are acknowledged in an effective and timely manner, Performance rating, salaries and appreciation are in ration of individual performance, High potentials are recognized and developed by providing special facilities, Internal promotion depends on critical issues, Participations of all employees are made in the organizational activities, Organization perceives trends, practices and promotion pertinent changes, envision and address risk with their loads .747, .697, .679, .662, , .654, .624, .538 and .498 respectively.

The rotated matrix has revealed that it is the most important factor with the highest explained variance of 11.441%.

Factor 2: Talent Development

Item NO.	Description	Item Load	Factor Load	% of Variance
9	Employees contribution in the growth of Organization	.769	3.955	10.349
16	Organization recognizes and uses the abilities to develop he employees	.685		
17	Employees are guided with different career option that can encourage the fostering of existing skills	.663		
10	Provide organizational counseling services to all senior administrative zones to spur enhanced organizational activities	.635		
11	Organization spend in professional development program to increase leadership capabilities, skills and employee efficiency	.619		
8	Vocation management program, job advancement strategies and mentoring programs to enable employees to face new opportunities	.584		

The second factor arrived out is named as Talent Development. This factor is framed from 6 components namely; Employee contribution in the growth of organization, recognition and

utilization of employees ability, guidance for the fostering skill set, providing counseling, sponsorship for the professional development programs for improving leadership qualities and conduction of mentoring programs so that the employees can face new opportunities. These components when loaded with were able to explain around 10.3% of the variance. The rotated matrix revealed that this was the second most important factor for explanation of variance.

Factor 3: Talent Retention

Item NO.	Description	Item Load	Factor Load	% of Variance
33	Attractive Salary	.695	3.955	9.041
32	Additional financial rewards and benefits	.561		
23	Comfortable working hours	.646		
6	Learning Development Programs	.544		
27	Personalized Career Building	.540		
22	Helpful working environment	.510		
21	Effective Communication	.459		

The 3rd factor revealed was talent retention. The components that formed this factor were mostly related to individual satisfaction. These were attractive salary, additional financial rewards, comfortable working hours, learning and development programs, personalized career building, helpful working environment and effective communication. These components together could explain around 9% of the variance. Though small, but this also forms an important factor.

Factor 4: Employee Engagement

Item NO.	Description	Item Load	Factor Load	% of Variance
7	Balanced work life condition	.668	3.509	8.940
2	Healthy relation between upper and lower level staff	.642		
10	Scope of individual development	.629		
5	Worthy compensation with additional financial benefits	.607		
24	Recognition & Appreciation	.502		

28	Decision making power is granted to employees	.461		

The next factor for talent management practices as revealed was employee engagement. This was the 4th factor and could be able to explain around another 9% of the variance. This comprised of 6 components namely balanced work life condition, healthy relation between upper and lower level staff, scope for individual development, worthy compensation and financial benefits, recognition and appreciation and decentralization of decision making power.

Analysis

On application of factor analysis on the dataset we found the eigen values as represented in following table. The extraction was done through the method of Principal Component Analysis.

- **Factor 1: Organization Culture:** The first factor named as organization culture comprises of 8 items. The items are : Organization regularly keeps a check on workforce attitudes and engagement levels, Internal promotion depends on critical issues, Participations of all employees are made in the organizational activities, Organization perceives trends, practices and promotion pertinent changes, envision and address risk with their loads .747, .697, .679, .662, , .654, .624, .538 and .498 respectively.

- **Factor 2: Talent Development:** The second factor arrived out is named as Talent Development. This factor is framed from 6 components namely; Employee contribution in the growth of organization, recognition and utilization of employees ability. These components when loaded with were able to explain around 10.3% of the variance. The rotated matrix revealed that this was the second most important factor for explanation of variance.

- **Factor 3: Talent Retention: The** 3rd factor revealed was talent retention. The components that formed this factor were mostly related to individual satisfaction. These were attractive salary, additional financial rewards,. These components together could explain around 9% of the variance. Though small, but this also forms an important factor.

- **Factor 4: Employee Engagement:** The next factor for talent management practices as revealed was employee engagement. This was the 4th factor and could be able to explain around another 9% of the variance. Recognition and appreciation and decentralization of decision making power.

Conclusion

We conclude that it does differ from zero, indicating that the talent management variety varies in the population. Talent Management is the fairly and deliberately crafted steps, policies, rules and planning applied through all the stages from workforce recruiting to development of personnel and also to their retention. The practice of talent management has also proved to be a solution of the employee retention problem. The employee retention issue has become a big challenge as the company's effort into attracting employees but they are less aware of retaining and developing processes for their potent talent. This study provides associate degree awareness of however Talent Management practices area unit enforced in IT organizations of urban center. Factors l

- This model can be used for interpreting talent management foremployees as a process, aligning talent management tomanagers and executives, as well as a key for implementing the practice of talent management.
- Talent management is found to be a way for organizations tomanage their human capital into a strategic asset.
- Careers of employees need to be mapped clearly with the HR layout of the firm with the help of Talent Management.

- The top talent of the firm constantly sought new avenues and amore stimulating work environment.
- Talent that has been identified has to be nurtured and developedto create mutual benefitfor employer and organizations in every perspective.
- This issue should be addressed in research; the dimensions offurther research is numerous and need to be pursued.

Limitation
- Respondents were not interested in giving responses for the study.
- As, this study has created all potential efforts to keep up objectiveness, validity and dependableness, nonetheless following limitations to be controlled.
- The study is proscribed to the Banks & Insurance Company the results cannot be generalized.

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