

A study on the impact of Talent Management on Employee Engagement among bank employees in the knowledge economy

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ABSTRACT

Managing talent is more complex and demanding to all organisations in the context of globalisation. Organisations should embrace talent management to obtain and retain the best talent available for the success of their organisation. Those that do not foster and engage employees end up losing valuable talent to other organisation. Talent management deals with attracting, retaining, motivating, training and developing talented people that an organisation requires to remain competitive. Through talent management employees can be engaged in their work through goal alignment and also achieve organisational goals. Employee engagement is about how an employee is emotionally and intellectually committed to an organisational group. An engaged employee is always participative and enthusiastic about the assigned job responsibilities. When talented employees feel engaged with work then their contributions will make difference to organisational goals and objectives. It enables them to

feel recognized, appreciated, valued, motivated and aligned to the organisation's goals and objectives. Banks face tremendous challenges with respect to talent and leadership skill availability. The study attempts to examine the association between talent management and employee engagement that improves the performance of the banks. It also attempts to identify the issues faced by the bank employees in the knowledge economy. It is based on empirical evidence, and secondary data is presented reviewing research papers published in journals. The samples have been collected through convenience sampling method. There is a positive impact of talent management on employee engagement that fosters the organisational success. It is talent management that enables the organisation in improving employee engagement, commitment, retention, value addition that is leading to improved organisational performance.

Key words: Talent management, employee engagement, banks, employee issues, knowledge economy

Introduction

Talented employees are excellent source of value addition to organization by means of providing competitive advantage in today's knowledge based economy. Managing talent is more complex and demanding and has risen as a challenge to all organizations in this current competitive business environment. Talented employees have high potential for achieving the organization's strategic goals.

Concept

Talent management

Talent is an instinctive quality possessed by few people, who have the capability to make a significant difference to current and future company performance, which is equal to competencies of a person that needs to be explored for the competitive advantage of the organization. Organizations have realized that their employees' talents and skills drive employee outcomes leading to their success or failure.

Talent Management is a set of strategies and systems to increase productivity by developing improved processes for attracting, developing, retaining and utilizing people with the required skills and aptitude to meet current and future business needs. Talent management brings together a number of important human resources and management initiatives. Quite

often, organizations adopting a talent management approach will focus on co-coordinating and integrating the following strategies:

- Recruitment – It refers to the selection of applications, ensuring the right people are attracted and employed in the organization.
- Retention – It can be through development and implementation of practices like performance based pay, training, challenging work, intrinsic motivations, career development.
- Professional development – It is the development of selected talent pools through talent management tools such as continuous informal and formal learning and development, cross functional training, career development and increased support through coaching and mentoring.
- Advanced leadership and development – It refers to the specific development programs provided to the existing and future leaders having strong potential towards the organization.
- Performance management – It refers to the processes that nurture and support performance, including feedback / measurement.
- Workforce planning – It is the future position planning of identified talent according to their skills, knowledge and competencies.
- Culture – is the development of a positive, progressive and high performance “way of operating”. An important step is to identify the staff or employees (people and positions) that are critical to the organization.

With the help of the above detailed integration process as a part of the talent management program, organizations provide individuals the opportunity and space for physically manifesting their talent into performance for achieving individual and organizational vision.

Employee Engagement

Employee engagement takes place when people at work are interested in, are positive and sometimes even excited about their jobs and are prepared to go the extra mile and always doing the best of their ability, (Armstrong, 2009). It is all about how an employee is emotionally and intellectually committed to an organizational group. An engaged employee is always fully participative and enthusiastic about the assigned job responsibilities (Falcone, 2006). An effective organization is one which engages and empowers their employees,

develops their competencies and skills, encourages creativity, improves performance, reduces absenteeism and improves the well-being of the employees.

In SHRM's research, multiple factors are clustered into three areas to construct employee engagement:

Conditions for engagement: the workplace environment and the work itself.

Engagement opinions: employees' connection with their work.

Engagement behaviours: colleagues' connection with employees' work.

Talent Management and Employee Engagement:

It ensures organizations that right people with fit skills are located at right place to access business strategy. When talented employees feel recognised, appreciated, valued and motivated, they align to the organization's goals.

Corporate Leadership Council study (2011) found that the companies using talent management strategies help in driving employee engagement, which resulted in 23% of increased performance against revenue expectations. Engaged employees within an organization provide a competitive advantage to organizations, as explained by the resource-based view (RBV) of the firm (Joo and Mclean, 2006).

Performance is dynamic; requiring judgment and interpretation and it may be illustrated by using a causal model that describes how current actions may affect future results. Employee engagement is important for strengthening the relationship between talent management and organizational performance.

Literature Review

M. T. Thedushika De Silva, M. G. G Tharanganie (2018) 'The impact of talent management initiatives on employee performance: the mediating role of employee engagement in the banking sector, Sri Lanka' reveal talent management initiatives have significant and positive effects on perceived employee performance and employee engagement. Further, it divulges perceived employee performance is significantly and positively influenced by employee engagement.

Ms. Saloni Devi (2017) in the research article 'Impact of talent management on organizational performance: role of employee engagement' has revealed the existence of positive relationship between talent management and organizational performance. Further,

employee engagement moderates the relationship between talent management and organizational performance.

Abdul Quddus Mohammed (2015) in the article, 'The impact of talent management on employee engagement, retention and value addition in achieving organizational performance' reveals that there is positive association between these variables.

The foremost contribution by Talent Management is the willingness of the system to analyze and bridge the gap between talent demand and talent supply by determining the weakness and strength of the employees and management as well as by the strategic flow of talent through an organization, which helps to connect individual goals to organizational goals and workforce strategies to business strategies (Kaur, 2013; Hilala, 2012; Iles, 2008).

Talent management practices have evolved over the time (from late 1990s) and moved into holistic and inclusive view with the alignment of such practices with the corporate strategies of organisations (Zesik, 2016). These practices are focused with building employee commitment, enhanced performance, trust, engagement and allowing implementation of organisational goals at different levels (Gelens et al., 2013). Thus, employee performance can be improved through talent management (Luna-Arocas & Morley, 2015; Mensah, 2015; Khaki, 2017;). Employee performance comprises both financial and non-financial outcomes of which have direct relations to organisational performance and its success (Anitha, 2014). It has been revealed that employees who have been identified as talented, tend to exhibit higher work effort which leads to higher performance than those who have not been recognized (Bjorkman et al., 2013).

Objectives of the study

1. To assess the variables of talent management and employee engagement among the bank employees.
2. To determine the effectiveness of talent management on bank employee engagement.
3. To identify the issues that affects the performance of the bank employees.

Research Design

This study is based on empirical evidence, where the Primary Data is collected through an online survey using a structured questionnaire. The data is collected from a sample of 51 respondents of Mangaluru city for measuring the variables of talent management and employee engagement among the employees. The samples have been collected through

convenience sampling method. The data collected from the respondents are coded, tabulated and analyzed into logical statements. Descriptive statistical tool – percentage is being used to arrive at findings and conclusion. Secondary data is collected from the available literature, journals and web search wherever fits.

Limitations of the study

There are a number of variables of talent management and employee engagement among the employees, but this study considers only a limited number of variables. The number of respondents under the study is confined to 51 selected based on convenience, which may not represent the entire population of bank employees.

Data Analysis and Interpretation

Table 1: Showing the age and gender of the respondents

Age (years) \ Gender	Male	Female	Total	Percentage
Below 30	16	7	23	45%
30-39	7	11	18	35%
40-49	3	-	3	6%
Above 50	4	3	7	14%
Total	30	21	51	
Percentage	59%	41%		

From the above table, we can observe that out of total respondents, 45% are below 30 years of age and 35% of the respondents are between the age group of 30-39. 59% of the respondents are male while 41% are female

Table 2: Showing the Educational qualification and Work experience of the respondents

Educational Qualification\Work Experience	Below 5 years	5 to below 10 years	10 to 15 years	15 years and above	Total	Percentage
PUC			1	2	3	6%
Graduate	15	7	5	5	32	63%
Post-Graduate	6	4	4	2	16	31%
Others	-	-	-	-	-	

Total	21	11	10	9	51	
Percentage	41%	21%	20%	18%		

From the above table it can be seen that 63% of the respondents are graduates with an experience of less than 5 years.

Table 3: Showing the opinion about the talent and job satisfaction of the respondents

Opinion	To a slight extent	To some extent	To a great extent	Total
Organization culture attracts best talents	11	28	12	51
Job satisfaction	6	29	16	51

From the above table we can analyse that 28 respondents feel to some extent that the bank has a clear organizational culture to attract the best talents. 16 respondents are fully satisfied with the present job.

Table 4: Showing the factors affecting talent management

Factors	Rarely	Sometimes	Always
1. Challenging work	6	26	19
2. Adequate training is provided	13	27	11
3. Higher positions filled based on talents	11	27	13
4. Superiors are aware of career aspirations talented staff	10	32	9
5. Adequate opportunities for professional growth	6	36	9
Total	46	148	61

The above table indicates that 26 respondents feel that **sometimes** their work is challenging, stimulating and rewarding. Whereas 27 respondents are of the opinion that **sometimes** they receive adequate training to cope up with the bank work. 27 respondents feel that **sometimes** higher positions in the banks are filled from the talents available within the bank. Majority of the respondents feel that career aspirations of talented staff within the bank are **sometimes** known by their superiors. 36 respondents suggest that only **at times** they get adequate opportunities for professional growth in this knowledge based environment.

Table 5: Showing the factors influencing the employee engagement

Factors	No. of respondents
Effective Communication	27

Learning and development	24
Career opportunities	19
Equal opportunities and fair treatment	10
Recognition	18
Pay and benefits	21
Health and safety	14
Co-operation and support by co-workers	20
Work/life balance	20
Job satisfaction	20

From the above table we can say that 27 respondents consider effective communication as the factor influencing employee engagement while 24 respondents consider learning and development as the factor.

Table 6: Showing talent management and employee engagement affecting the performance of the employees

Performance	No. of respondents
1. Planning the work accordingly	35
2. Adjusting to the changes	26
3. Learning from the feedback	22
4. Co-operating with others	22
5. Coping well in difficult situations	26

From the above table, 35 respondents are of the opinion that by planning the work accordingly, talent management and employee engagement can affect the performance of the employees.

Table 7: Showing the issues faced in the knowledge based economy

Issues	No. of respondents
1. Irregular working hours	9
2. Stress on account of financial risk in routine work schedules	17
3. Technical problems of software	9
4. IT-related issues	7
5. Employee shortage	7

6. Generation Gap among employees	2
7. Transfers	6
8. Managing customers	1
9. Co-workers leave their work so that someone else have to finish it	-
10. Co-workers complain about unimportant matter at work	-
11. Others	-

From the above table we can analyse that 17 respondents are of the opinion that stress on account of financial risk in routine work schedule is one of the issues faced by the bank employee in this knowledge based economy followed by other issues like irregular working hours and technical problems of software.

Suggestions

- 1. Talent management:** Majority of the respondents are of the opinion that sometimes they get opportunities for personal growth. Only at times training provided will be adequate and sometimes higher positions are filled based on talents are the factors affecting talent management as considered by the respondents.
Top Management can provide self development opportunities and encourage social recognitions of employees. Training is an integral part of talent management. It ensures that employees are skilled, motivated and competent. Adequate training, mentoring and coaching can be used by the organization to carry out talent development activities.
- 2. Employee engagement:** The key factors influencing employee engagement as per this study are effective communication, learning and development, pay and benefits, co-operation and support by co-workers, work-life balance and job satisfaction.
Transparency in communication, challenging job task, recognizing the extra effort of the employees and pay fairness and great company culture will enable the employees to be engaged with the organization thereby leading to job satisfaction.
- 3. Organizational Performance:** Winning teams can be formed by talented employees who are engaged with the organization. These teams will solve the problems or weakness in their organizations as they are competent. Majority of the respondents consider talent management and employee engagement will enable the employees to plan their work accordingly and adjust to the changing business environment.

4. Issues faced by the employees: Employees should be provided by resources to support their effectiveness and maximise the benefits of talent management. Regular working hours, providing adequate staffs, technology improvement, solving the technical problems are some of the ways to solve the issues faced by the employees.
5. Other suggestions: Good transfer policy, less pressure on branches for the work related to rectification and transparency in working environment are some of the other suggestions provided by the respondents. Unbiased treatment and recognition of the good work done by employees will help in optimising their best to achieve organisational and individual goals. Management should build mutual trust and respect between employees and managers by fostering a corporate culture that enhances individual creativity, team work and organizational performance.

Conclusion

Talent management has become an essential priority for modern organizations. It builds effective relationship with people in their roles, creating a great place to work. Talent management strategies directly affect the employee engagement and overall business performance. Talent management and employee engagement potentially facilitate organizational performance, thus increasing the dynamic capabilities of organizations as the employees are able to compete in a continually changing environment.

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